How QSRs Add Flavor to Loyalty Programs and Retention Strategies

Unlocking the secret recipe for building loyalty faster with composable technology.



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Introduction

The importance of customer loyalty in the QSR industry

With over half a million fast-food restaurants worldwide and a market size of \$978.4 billion in 2023 (Statista, Global Quick Service Restaurant Market Report 2023), the quick-service restaurant (QSR) industry remains fiercely competitive. As consumer preferences evolve, fast-food brands are turning to more than just great-tasting meals to build lasting relationships with their customers. Today, a successful loyalty strategy requires innovation, personalization, and convenience to keep customers coming back.

In recent years, the QSR industry has undergone a major shift driven by advancements in technology and shifting consumer habits. With the explosion of **digital ordering channels** and the rise of **food delivery platforms**, convenience has become a key factor for diners. QSRs now compete in a crowded digital space, where customer expectations for personalized experiences are higher than ever.



Source: Paytronix, QSR Loyalty Report 2023

To stand out, many brands are leaning into sophisticated loyalty programs that go beyond traditional rewards and discounts.

Nearly 50% of QSR loyalty members order online at least 90% of the time, while less than one in eight QSR loyalty members order both in-person and online (Paytronix, QSR Loyalty Report 2023).



To capture and retain customer attention in 2024, QSRs must move away from one-size-fits-all promotions. Instead, they need to embrace **data-driven strategies** that offer **tailored rewards**, **engaging experiences**, and **ongoing value**. From mobile apps that deliver personalized offers to subscription-based meal plans, modern loyalty programs are designed to create deeper connections with diners and keep them engaged in an increasingly saturated market.

This whitepaper explores how leading QSR brands are leveraging loyalty programs and strategic incentives to foster brand loyalty, highlighting real-life examples and key trends that are shaping the future of customer retention in the industry.

Today's QSR Loyalty Landscape

How do QSR brands approach loyalty?

Starbucks was an early pioneer in loyalty programs, launching **Starbucks Rewards** in 2009. By Q1 2024, the program had grown significantly, reaching a record **34.3 million active members in the U.S**. and contributing to over **55% of the company's revenue**. This level of integration demonstrates how deeply loyalty programs can be woven into customer behavior, offering personalized rewards and experiences that keep customers engaged and spending more frequently.

The QSR industry has historically thrived on repeat customers, but **competition is now fiercer than ever**. With megaclusters of QSR brands often located in close proximity, **customer choice between chains can come down to convenience factors** such as mobile app usability, curbside pickup efficiency, or real-time rewards availability. This shift means that brands need more than just great food to win customer loyalty – they need a personalized and engaging loyalty experience that differentiates them from competitors.

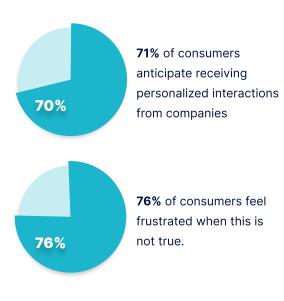
As of 2024, almost all major QSRs, including Tim Hortons, Domino's, and McDonald's, have implemented robust loyalty programs designed to incentivize returning customers. These programs vary in structure and goals but often rely on advanced digital tools and data analytics to personalize the customer journey.

The evolution of loyalty programs has addressed several key pitfalls of older "earn-and-burn" models, such as:

- Slow point accumulation, which previously frustrated customers.
- Irrelevant rewards, often unrelated to customer preferences.
- Communication overload, as too many notifications drove customers to disengage.

In the past, QSR brands were content to send out generic promotions, but customers have grown far more selective about the messages they receive. With the rise of digital communication, consumers now expect more personalized, relevant offers, and loyalty programs have become an essential tool for brands to deliver this kind of experience.

The most innovative QSR brands use customer data to tailor campaigns to forge a new type of customer relationship. And rightfully so.



Source: McKinsev

So how to approach building customer loyalty in the QSR industry in 2024?

Building Effective QSR Loyalty

Programs

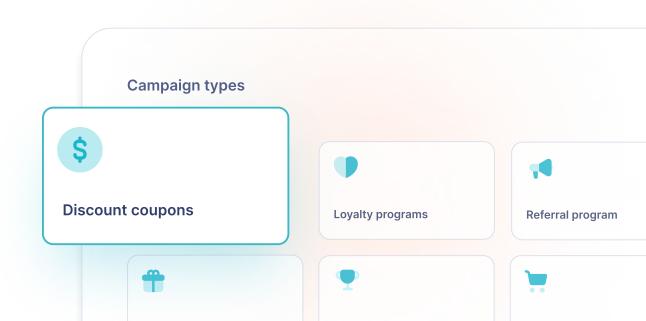
To create a loyalty strategy that will work for your restaurant business in 2024, it's essential to start with a clear vision.

What are your primary goals?

- Are you focused on driving more frequent visits, increasing average spend, or expanding your customer base?
- And how do your budget and technology stack align with these objectives?

Additionally, deep insights into your target audience are critical. What are their preferences, behaviors, and pain points? Understanding this will help shape loyalty incentives that resonate with them, creating a more personalized and meaningful experience.

In the fast-evolving QSR landscape, one of the biggest challenges is **identifying the** most effective starting point for building customer loyalty. While many brands dive straight into complex loyalty ecosystems, starting with something simpler yet impactful can be just as effective. One underutilized but powerful tool to consider is strategic promo codes.



Strategic promo codes

Promo codes may not be the first thing that comes to mind when thinking about loyalty programs, but they offer a flexible and scalable solution. With modern technology, QSR brands can **easily roll out dynamic promo codes** that can be adjusted based on **customer behavior**, **market trends**, or **campaign performance**. This agility allows QSRs to fine-tune their offers in real-time, testing various promotions without committing to a fully-fledged loyalty program right out of the gate.

Unlike traditional point-based programs, promo codes provide **immediate gratification**, which is appealing to today's on-the-go QSR customers.

They are easy to understand, instantly redeemable, and can be customized for different segments of your audience.

For instance, you could offer specific codes to new customers to drive trials or to loyal customers for limited-time rewards, making it a highly versatile tool.



Moreover, promo codes can serve as a **gauge for future loyalty initiatives**. By monitoring their effectiveness in driving repeat visits and increased spending, brands can gather valuable data on customer preferences and behaviors.





now

Your favorite bowl is waiting!

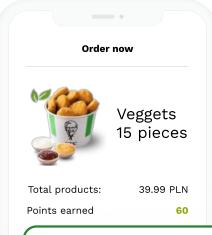
Dive into your favorite takeout bowl now and save **20\$** with code **BOWL20!**Don't miss out – act fast!



Context-aware promotions

Unlike promo codes, which require customer action, context-aware promotions automatically apply discounts or rewards when specific criteria are met. By feeding real-time cart data into a promotion engine, brands can expand their promotional possibilities exponentially.

For example, when a customer's order meets predefined criteria – such as a specific combination of items or a total spend threshold – discounts can be applied instantly.



The strength of context-aware promotions lies in their **flexibility** and **precision**. By using a "promotional rules tree," you can create a web of conditions that dynamically adjust based on customer behavior.

This system allows brands to control **how** much margin to invest in promotions based on real-time ROI data, helping you fine-tune campaigns for optimal profitability.



Sweeten Your Combo!

Add a dessert to your combo and enjoy an exclusive discount! Treat yourself while boosting your savings

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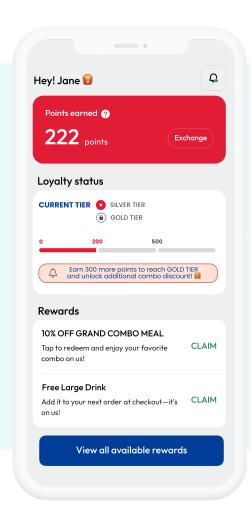
With this type of setup, promotions become less about blanket discounts and **more** about strategic investments in customer retention, incentivizing behaviors that drive long-term loyalty.

Digital wallets

One of the most significant challenges for customers in 2024 is managing multiple loyalty programs and offers across various QSR brands. With the average consumer juggling several apps, special deals, and reward points, it's easy for promotions to slip through the cracks. Enter the digital wallet – a solution that aggregates a customer's loyalty points, deals, and offers into a single, easy-to-access dashboard.

By integrating digital wallets into your loyalty strategy, you make it simpler for customers to **track** and **redeem rewards**, increasing the likelihood they'll engage with your brand over competitors. When a customer can easily see their available offers, whether it's a free coffee or a points-based discount, they are far more likely to act on it.

This ease of access creates a **stronger emotional connection to your brand**, as it reduces the friction often associated with managing rewards across multiple platforms.

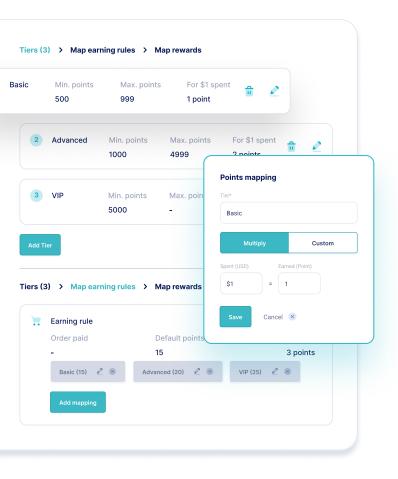


Once you've mastered promo codes, context-aware promotions and digital wallets and you're ready to scale your loyalty program to the next level, the following program structures work best in the QSR industry.



Point-based programs

In the restaurant industry, loyalty programs typically operate on top of a **point-based system**. Customers earn points for making orders and exchange these points for free menu items and discounts. It is the best model when you are getting started or if you are a QSR brand where concepts of customer experience or privilege are lost with instant savings. However, this type of program carries some risks.



First of all, by competing with other brands on price only, it's more than likely that customers will quickly switch to your competitor as soon as their price drops a cent lower than yours.

Also, it's critical to design your point system in a way that protects your margins, especially during peak demand. For instance, when demand spikes, a poorly calibrated point system can quickly eat into profits if customers redeem too many rewards at once.

You can make your point-based program more engaging and profitable by adding **tiered** or **bonus point opportunities**.

How exactly? Offer double points on orders above a certain total or for specific, high-margin menu items, such as burgers or combo meals. This approach not only increases average order value but also encourages customers to spend more to unlock additional rewards.

Digital punch cards

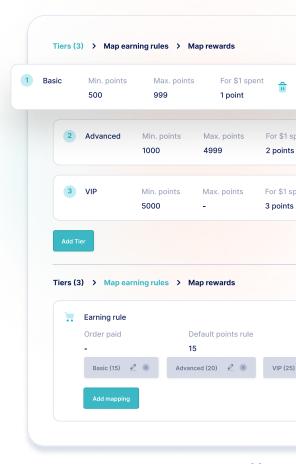
Even though punch cards fell out of fashion a while back, the concept of rewarding customers with free menu items for making consecutive orders is still live and kicking. It's a simple concept – **customers are rewarded for purchasing an item a certain number of times**.

For example, if they buy nine cups of coffee, they get the 10th free. This encourages repeat business and loyalty among customers. And it's a great way to show appreciation for their business. Item-based reward systems are also easy to set up and manage. So if you're looking for a way to show your customers that you value their business, an item-based rewards system is a good option to start.

Tiered loyalty rewards

A tiered loyalty system is a great way to encourage customers to spend more at your restaurant. The way they work is quite simple – the more a diner spends with you, the higher level of membership they earn. Tiered loyalty programs work for one reason – exclusivity. Customers love feeling like they are part of a premium group, and by offering tiered benefits, you can tap into that desire.

Tiered benefits **tend to work better in physical venues** that focus on delivering excellent service and VIP-like experiences. By implementing a tiered loyalty system, you can identify the best customers and offer them a unique dining experience. If you are big on pampering top diners, you can provide them with free items and other perks each time they visit without any need for collecting and redeeming points.



Gamified loyalty programs

Similarly to tiered reward programs, gamified loyalty models tap into **exclusivity**, **achievements**, and **challenges** as the primary sources of loyalty engagement. The formula of a gamified loyalty program can take many shapes and forms.

Depending on your unique selling proposition and target audience, you can run **fun challenges on social media**, organize **giveaways** and **contests**, or offer **double points days** to stimulate demand in slower periods. Personalized experiences have high ROI and recall value, so if your loyalty technology allows it, use personal occasions such as birthdays and anniversaries to send relevant notifications and encourage diners to drop by or order online to claim surprise gifts.

Whatever approach you take, **your loyalty program has to be easy to understand and use.** The last thing you want is for customers to sign up but then be confused about how it works. Keep it simple and ensure the benefits are clear, and you'll be on your way to creating a successful loyalty program. Always remember to put the customer first, and the rest should be a piece of cake.

Whatever loyalty format you choose, there are five critical components to building a QSR loyalty strategy that will stand the test of time:



A deep understanding of customer behavior and expectations.



Personalized yet not overbearing communication.



Commitment and alignment to the loyalty strategy across the organization.



Awareness of the social and economic environment.



Use of the best loyalty technology.

Overcoming Challenges and Building

a Successful QSR Loyalty Program

When it comes to the nitty-gritty of running a loyalty program for a restaurant business, there are a few common mistakes and key pieces of advice to take to heart.

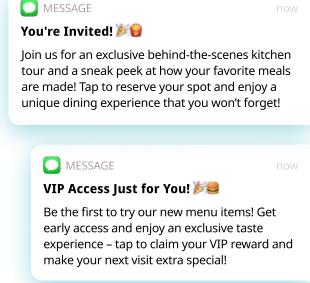


Offer experiential rewards

Experiential rewards are becoming increasingly valuable in the QSR industry. Today's consumers crave **experiences over material goods**, making loyalty programs that offer unique, memorable rewards highly appealing.

In a world where customers have endless dining options, giving them more than just a discount can set your brand apart.

Offering experiences like exclusive access to new menu items, personalized dining events, or special VIP treatment makes customers feel valued and emotionally connected to your brand. These kinds of rewards go beyond transactional relationships and build long-term loyalty.



Even in times of economic uncertainty, experiences can carry emotional value that traditional discounts can't replicate. However, **balance is key** – combining experiential rewards with instant-savings options ensures your program appeals to both value-seeking customers and those seeking deeper connections with your brand.



Make program promotion your priority

You can't create a loyalty program and expect your customers to sign up – you need to promote it through all your channels, especially social media.

As found by MGH Survey, **42**% of diners have interacted with restaurants on at least one social media platform.



Of that group, **66**% are more likely to order food from the restaurant they follow.



- Tap into FOMO by showcasing what customers miss by not joining your program.
- Highlight exclusive rewards, perks, and the benefits of membership.
- Integrate a referral system can boost engagement, rewarding loyal customers for bringing others on board with extra points or benefits.
- ✓ Use all your digital channels social media, email, and in-app notifications to make sure your program gets the attention it deserves.



Don't follow trends blindly

Digital marketing is full of buzzwords and fleeting trends, but it's important to resist the temptation to jump on every bandwagon. Your loyalty program should be tailored specifically to your customer base and their expectations.

There's no one-size-fits-all solution – what works for one QSR brand may not work for another. For instance, while many current trends highlight the importance of customer experiences, that may not resonate equally with all audiences. Some customers may value simplicity or quick rewards over exclusive experiences.

The key is to understand **what motivates your customers** and build a program that aligns with those preferences, whether that's a straightforward point-based system or a more personalized, experience-driven approach. Stay flexible and adaptable to ensure your loyalty strategy remains relevant.

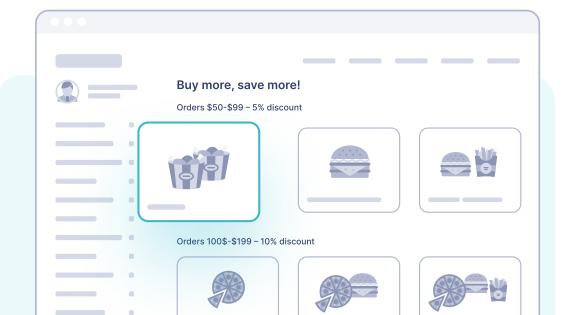


Keep the program simple

One of the most common mistakes restaurants make with loyalty programs is overcomplicating them. Finding the right balance between program structure, rewards, and actions takes time, but it's best to **start simple** and improve from there. Customers should be able to easily understand how to earn and redeem rewards without feeling overwhelmed by complex rules or overly intricate gamification.

In today's world, customers are bombarded with marketing messages every day. Expecting them to invest a lot of time figuring out how your loyalty program works is a sure way to lose their interest. Focus your communication on the benefits – like redeeming points for rewards – rather than just earning points.

Customers will feel rewarded when they redeem points, which encourages them to return and continue participating. Simplicity leads to higher engagement and ensures your program can grow and evolve based on customer feedback and real-world performance.





Loyalty touchpoints are a must

In today's competitive food market, staying connected with your customers is more important than ever, and a smooth **digital experience** can make all the difference.

Having your loyalty program integrated with **mobile apps** and **POS systems** not only simplifies things for your customers but makes your program more powerful. A mobile app isn't just a place for loyalty points – it can also be a convenient way for customers to order directly from you, cutting out the need for pricey third-party delivery services.

By using **push notifications**, **personalized messages**, and **reminders**, you can keep your loyalty program in front of customers and keep them engaged. And when you tie everything together with POS integration, customers can earn and redeem rewards at checkout, whether they're ordering online or in-store. The easier and more accessible your loyalty program is, the more likely customers are to use it – and keep coming back for more.

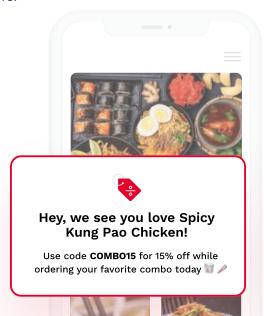


Use data to continuously improve

For QSRs, leveraging customer data is key to refining and optimizing your loyalty program. Every transaction, order preference, and interaction offers insights that can help you better understand your customers.

By analyzing this data, you can personalize offers, identify popular items, and adjust your program to better serve your audience.

Data-driven decisions will not only help you fine-tune your program but also ensure it stays relevant, responsive, and tailored to your customers' evolving preferences, leading to deeper loyalty and stronger engagement.



Examples of successful QSR loyalty

programs

MyMcDonald's Rewards

It's no surprise that the undisputed king of fast food runs a wide-scale loyalty program. McDonald's **MyMcDonald's Rewards** program has gained massive popularity since its U.S. launch, with over 26 million members as of late 2022.

The program allows customers to earn **100 points** for every **\$1 spent**, which can be redeemed for a wide range of menu items, from small fries to Big Macs.

The rewards are categorized by point values, so as you accumulate more points, you unlock higher-tier rewards. For example:

- 1,500 points: Small fries, hash browns, soft drink
- 3,000 points: Medium fries, cheeseburger, vanilla cone
- 4,500 points: Big Mac, McChicken, Filet-O-Fish
- **6**,000 points: Large fries, Happy Meal, Quarter Pounder with Cheese



MyMcDonald's Rewards is available in multiple countries, including the U.S., Germany, Canada, and more, with further expansion planned.

"Loyalty is the single biggest driver of digital adoption and MyMcDonald's Rewards has exceeded expectations in terms of enrolment and participation. After just six months in the US there were over 30 million loyalty members enrolled and 21 million active members earning rewards."

- McDonald's CEO, Chris Kempczinski

McDonald's also makes things fun with **digital punch cards in their app**.

These punch cards encourage customers to keep coming back by offering a free item after they buy a certain number of the same item – like grabbing a few coffees and earning the next one on the house.



Chipotle Rewards



Chipotle launched its **Chipotle Rewards** program in the U.S. in 2019, and it has rapidly grown to over **40 million members by 2024**, making it one of the fastest-growing loyalty programs in the industry.

The program is accessible through a dedicated app and web platform, following a simple earn-and-burn model. Customers earn **10 points** for every **\$1 spent** and can redeem points for menu items.

REWARDS EXCLUSIVE

BOORITO IS BACK IN-RESTAURANT

Rewards members, come haunt any Chipotie from 3pm to close on Halloween and get a \$6 entries* when you dress in costume and scan your Rewards member ID.

Not a member yet? That's scary, Join now to start earning.

Boorito Terms Program Terms

1. Value (1944)

*Limit 1 offer per costume. Rewards members and in-restaurant only. Rules: clupotie.com/boorits



The loyalty program also includes fun features like bonus points days, birthday rewards, and special events like Halloween promotions to keep customers engaged

"Chipotle Rewards is another access point for guests to engage with our promise of real ingredients prepared fresh daily, and a way for us to say thank you for joining our mission of Cultivating a Better World."

- Anat Davidzon, Managing Director at Chipotle Canada

In addition to its core rewards features,
Chipotle also offers **Chipotle Extras**, a
fun, gamified option within the program.
It encourages members to complete
personalized challenges to earn extra
points and unlock achievement badges.
This makes earning rewards more
engaging and faster, with opportunities
to score free menu items, exclusive
Chipotle merchandise, and other perks.



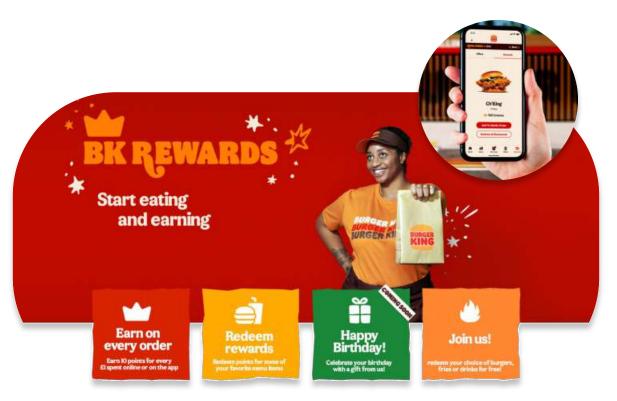
Burger King Royal Perks

Although Burger King was a bit late to launch a loyalty program, their Royal Perks program made a strong entrance. It's a point-based system where customers earn **10 Crowns** for every **\$1 spent**. What sets it apart is the daily perk that allows members to upsize one order for free every day.

Crowns can be redeemed for free menu items, and members also enjoy exclusive offers, birthday rewards, and early access to special deals. This simple, rewarding program aims to keep customers coming back with personalized perks.

"Since announcing the rollout of our loyalty program last September, Royal Perks is now available in nearly every Burger King restaurant nationwide. Enhancing the digital guest experience continues to be a major focus for our brand."

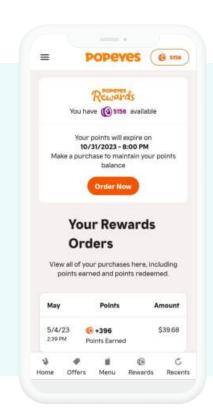
- Tom Curtis, President of Burger King North America



Popeyes Rewards

Popeyes' Rewards program, called Popeyes Rewards, follows a point-based system similar to other fast food loyalty programs. Customers earn **10 points** for every **\$1 spent** and can redeem them for free menu items like chicken sandwiches, sides, and desserts.

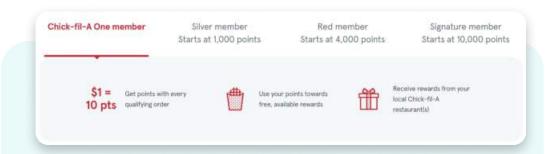
The program also offers exclusive deals, birthday rewards, and personalized promotions. One standout feature is their **bonus point days**, which let members earn points faster during special promotions. It's available through the Popeyes app, making it easy for members to track points and redeem rewards.



Chick-fil-A One

Chick-fil-A launched its Chick-fil-A One rewards program in 2016, and it has grown into a tier-based system that rewards loyal customers. The program has four levels: **Member**, **Silver**, **Red**, and **Signature**, and as members progress through these tiers based on annual spending, they earn more points per dollar.

At the highest Signature level, members earn **13 points** per **\$1 spent**. Each tier unlocks increasing benefits, such as birthday rewards, bonus point challenges, and access to special events. This structure encourages repeat visits and offers personalized perks as customers advance.



New trends for building customer

loyalty in the QSR industry



AR technology & personalization on a larger scale with Al

New tech like augmented reality (AR) and artificial intelligence (AI) is transforming loyalty programs, making them more interactive and personalized than ever. AR offers customers fun, immersive experiences – like virtual challenges or in-store rewards – which make loyalty programs feel more exciting. Meanwhile, Al analyzes customer preferences and behavior in real-time, offering personalized rewards and promotions that feel tailor-made, keeping customers engaged and coming back for more.

Combining AR's interactive nature with AI's personalization capabilities elevates loyalty programs beyond simple point collection, making them more engaging and memorable.



Engagement-inducing journeys

Loyalty programs don't have to focus solely on transactions. Encouraging customers to try new menu items or visit on specific days by offering **bonus points** can drive more frequent interactions with the brand.

This not only increases engagement but also incentivizes customers to share their experiences and recommend the brand to others. By providing various touchpoints – like offering double points on certain days – QSRs create a more immersive and rewarding customer journey.





Exclusive Monday Deal!



Get double points on your favorite Chicken Deluxe Sandwich this Monday - only at our physical locations!

Don't miss out on this one-day offer!







Partner rewards

Building loyalty doesn't need to end when the customers leave your restaurant. QSRs are **now partnering with other companies** to offer **joint loyalty programs** and **cross-partner incentives**. For example, a QSR might team up with a gas station or retail store to offer customers rewards that can be redeemed at both businesses.

With an advanced loyalty solution like Voucherify, QSR brands can use points portability to enable members to use their points with hundreds of partners in travel, dining, rent, fitness, and more, right in the app. This gives loyal customers a unique way to spend their points while encouraging them to make their points go further.



Burger King has partnered with **Walmart** for special customer deals, allowing customers to earn and redeem points across both brands. This collaboration offers cross-promotions and boosts customer engagement for both the fast food and retail giants.

KFC

Industry: QSR

Size: 1000+ employees

Customer since: 2024

Location: Vietnam

In 2024, KFC Vietnam partnered with Voucherify to enhance its promotional and loyalty systems in response to operational challenges in the fast-paced quick-service restaurant (QSR) industry.

Before the integration, manual promotion validation processes slowed down transactions, creating bottlenecks during peak hours, and limiting KFC's ability to provide personalized promotions and loyalty offers. This resulted in reduced customer satisfaction and revenue potential.

The integration, designed as a **multi-phase strategy**, began with the rollout of discount coupons and promotions via kiosks, leveraging Voucherify's flexible APIs. The integration aims to cover all sales channels, including **kiosks**, **POS**, **web**, **mobile apps**, and **call centers**, ensuring a seamless omnichannel experience for diners.



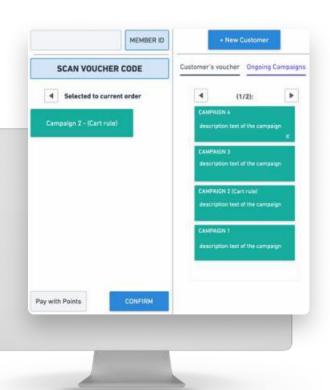


Building an omnichannel promotion

experience with KFC & Voucherify

In the competitive QSR market, KFC Vietnam uses advanced promotion tools like Voucherify to unify and **manage promotions seamlessly across digital**, **in-store**, and **contact center channels**. By rolling out promotions **incrementally** – starting with kiosks and expanding to mobile apps and web orders – KFC ensured a consistent customer experience without overwhelming systems or staff.





This approach, combined with **personalized promotions**, a **smooth digital experience**, and **optimized operations**, enables KFC Vietnam to boost customer retention, encourage repeat purchases, and expand its reach across Vietnam.

KFC's promotions span multiple channels, including **counters**, **kiosks**, **web**, **phone**, and **QR ordering**, and cater to different service modes such as eat-in, takeaway, and delivery. Each promotion is tailored to criteria like **order value**, **store location**, and **service mode**, offering flexible discounts, from free items and product upsizing to tiered discounts based on order size, to meet diverse customer needs effectively.

Takeways

Final thoughts and takeaways for QSR brands looking to enhance their customer retention efforts

In today's fast-evolving QSR landscape, **understanding and addressing customer needs** is the foundation of a successful loyalty strategy. Consumers expect more than just transactions – they're looking for **convenience**, **personalization**, and **engagement** that goes beyond basic rewards. To stand out in a competitive market, QSR brands need to focus on dynamic, tech-driven solutions that make the loyalty experience memorable and relevant.

The key takeaway is that **building loyalty isn't just about offering discounts – it's about creating a relationship with your customers**. Leveraging tools like Al for personalized rewards, AR for interactive experiences, and partnership programs that extend rewards beyond the restaurant can make your loyalty program a core part of the customer journey. With these technologies, brands can offer personalized, real-time rewards that make customers feel understood and valued.

This guide provided a glimpse into the strategies that can take your loyalty program to the next level, from engagement-inducing journeys to partner rewards. The main focus for QSRs moving forward is to create a seamless and rewarding experience that keeps customers coming back. By combining **personalization**, **ease of use**, and **exciting engagement opportunities**, your brand can foster long-term loyalty and stand out in 2024 and beyond.



26

Create your QSR Loyalty Program today

If you would like to see how Voucherify and our **partners** can up your restaurant loyalty game, get in touch and schedule a personalized demo.



the loyalty people



Orium

SHOPMACHER



<u>c</u>loudflight





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Get demo