

## **Designing and Implementing Customer Loyalty Programs in Omnichannel Retail Businesses: Brick & Click Businesses**

**Uchenna Gospel Okafor**

Ulster University, Department of Global Business and Enterprise, Birmingham Campus

**C.C.Awaeze**

Department of Mass Communication, Rhema University Nigeria, Aba

**Sylvanus Ikechukwu Nwodo**

Department of Marketing, Rhema University Nigeria, Aba, Abia State.

**Ibinabo Emmanuel Alibo**

Department of Marketing, Rhema University Nigeria, Aba, Abia State

doi: <https://doi.org/10.37745/bjmas.0560>

Published June 12, 2026

---

**Citation:** Okafor U.G., Awaeze C. C., Nwodo S.I., Alibo I.E. (2026) Designing and Implementing Customer Loyalty Programs in Omnichannel Retail Businesses: Brick & Click Businesses, *British Journal of Multidisciplinary and Advanced Studies*, 7(3),1-21

---

**Abstract:** *A customer loyalty program refers to a structured marketing strategy designed to encourage repeat purchases, reward consistent customers, and strengthen emotional connections between the customer and the brand. Omnichannel retailing—where customers engage across physical stores, online websites, mobile apps and other channels—poses both opportunities and challenges for loyalty program design. With the rise of omnichannel businesses—where firms operate both online and offline—loyalty programs have become even more critical in ensuring a seamless and consistent customer experience across all channels. The population of the study consists of customers and business managers within the study area. A sample of 300 respondents was purposively obtained for the study. This study synthesizes recent literature on how customer loyalty is built and sustained in omnichannel contexts, proposes key success factors for loyalty programmes in omnichannel retail businesses, and offers a structured framework for development and implementation. The framework emphasizes channel integration, technology and personalization, data architecture, reward system design, customer-engagement mechanisms and metrics. The findings of the study revealed that customer loyalty programs, personalized loyalty rewards, technology integration and omnichannel integration have significant positive effects on customer retention, loyalty programs effectiveness and customer participation in loyalty program. Managerial implications are discussed, particularly for retailers operating both online and offline and seeking competitive differentiation via loyalty programs.*

**Keywords:** customer loyalty programs, omnichannel retailing, channel integration, technology, personalization, data architecture and reward system

---

## **INTRODUCTION**

In today's highly competitive business environment, organizations are increasingly shifting their focus from merely attracting customers to retaining and building long-term relationships with them. One of the most effective tools for achieving this is the development of a customer loyalty program. A customer loyalty program refers to a structured marketing strategy designed to encourage repeat purchases, reward consistent customers, and strengthen emotional connections between the customer and the brand (Arachie et al,2025; Alaegor,2025; Indrawan,2024). Retail has shifted markedly in the last decade from purely physical store models or purely online models to omnichannel models — where customers expect seamless experiences across channels (store, web, mobile, social). For a business operating both online and in-store , a well-designed loyalty program becomes a strategic asset: not just to reward repeat purchases, but to bind the customer across channels, encourage omnichannel behaviour (e.g., buy online/pick up in store, return in store, cross-channel browsing), and enhance lifetime value (Aaker et al,2017). With the rise of omnichannel businesses—where firms operate both online and offline—loyalty programs have become even more critical in ensuring a seamless and consistent customer experience across all channels (Chen et al,2022; Gao & Huang, 2021). Designing an effective loyalty program requires careful consideration of several factors, including customer needs and expectations, reward structures (points, discounts, cashback, etc.) integration across digital and physical platforms and data collection and personalization strategies (Mosina,2024; Chiyem et al,2024; Allen-Taylor,2023). Implementation, on the other hand, involves putting the designed system into practice through: technology adoption (CRM systems, mobile apps), staff training, customer awareness campaigns and continuous monitoring and improvement (Adebayo & Salau,2023; Padela et al,2023; Chen et al,2022). Despite the benefits, many businesses face challenges such as poor program design, lack of customer engagement, and inadequate technological infrastructure, which can limit the effectiveness of loyalty initiatives.(Laudon & Traver,2021; Chaudhary & Bisais,2018). This study therefore aims to explore the processes involved in designing and implementing a customer loyalty program, with a view to enhancing customer retention, improving satisfaction, and increasing overall business performance

### **Statement of the Problem**

The rapid growth of omni-channel retailing has transformed the way consumers interact with retailers. Customers now expect seamless shopping experiences across physical stores, websites, mobile applications, and social media platforms. However, many retailers still struggle to design and implement effective customer loyalty programs that can integrate these multiple channels into a unified customer experience. Traditional loyalty programs are often fragmented, focusing mainly on single-channel interactions and failing to capture the changing behavior of modern consumers (Keller,2013). In many retail organizations, customers experience inconsistencies in rewards, promotions, communication, and service delivery across channels. This inconsistency reduces

customer satisfaction, weakens brand loyalty, and increases customer switching behavior (Light & Femback,2024). Furthermore, retailers face difficulties in collecting and utilizing customer data effectively across platforms, thereby limiting their ability to personalize loyalty offerings and improve customer engagement (Kotler & Keller,2022). The increasing competition in the retail industry has also made customer retention more difficult and expensive. While many firms invest heavily in acquiring new customers, inadequate loyalty program strategies often result in low repeat purchases, declining customer trust, and reduced long-term profitability (Roosta et al, 2025). In developing economies such as Nigeria, additional challenges such as technological limitations, poor customer data management systems, and low digital integration further complicate the successful implementation of omni-channel loyalty programs (Omofowa & Nwachukwu,2025). Despite the importance of customer loyalty programs in improving customer retention and organizational performance, there is still limited empirical evidence on how omni-channel retailers can effectively design and implement integrated loyalty strategies that enhance customer satisfaction and long-term loyalty (Nwokah & Ahiauzu, 2019; Orth & Rose,2017). Therefore, this study seeks to examine the design and implementation of customer loyalty programs in omni-channel retailing, with the aim of identifying effective strategies, challenges, and outcomes associated with such programs.

### **Objectives of the Study**

The general objective of this study is to examine the design and implementation of customer loyalty programs in omni-channel retailing. The study specifically seeks to:

- i.examine the components of effective customer loyalty programs in omni-channel retailing.
- ii.evaluate the effect of personalized loyalty rewards on customer retention in omni-channel retail businesses.
- iii.identify the technological factors influencing the implementation of customer loyalty programs in omni-channel retailing.
- iv.examine the challenges associated with implementing customer loyalty programs across multiple retail channels.

### **Research Hypotheses**

These hypotheses are formulated in null forms to guide data analysis.

H<sub>01</sub>: Customer loyalty programs have no significant effect on customer retention.in omni-channel retail businesses.

H<sub>02</sub>: Personalized loyalty rewards has no significant effect on customer retention in omni-channel retail businesses.

H<sub>03</sub>: Technology integration has no significant impact on the effectiveness of loyalty programs.

H<sub>04</sub>: Omnichannel integration does not significantly influence customer participation in loyalty programs.

### **Significance of the Study**

This study will be beneficial in several ways:

- i).To Business Owners and Managers- It will provide practical insights on how to design and implement loyalty programs that improve customer retention, satisfaction, and profitability.
- ii). To Marketers- The study will enhance understanding of how loyalty programs can be used as a strategic marketing tool to build strong customer relationships and brand loyalty.
- iii).To Academics and Researchers- It will contribute to existing literature on customer relationship management (CRM) and omnichannel retailing, serving as a reference for future research.
- iv).To Customers- An effective loyalty program will improve customer experience by offering personalized rewards, convenience, and consistent service across all channels.
- v).To Policy Makers and Industry Stakeholders- The findings may guide the development of policies and best practices that promote customer-centric business strategies.

### **LITERATURE REVIEW**

Customer Loyalty Program.

A Customer Loyalty Program is a structured marketing strategy designed to encourage repeat purchases and long-term relationships by rewarding customers for their continued patronage. A customer loyalty program gives customers incentives (rewards, discounts, points, or special offers) whenever they buy from a business. The more they engage with the business, the more benefits they receive. The common types of loyalty programs are (Khalufi et al,2025; Magdy Zaki et al,2025):

1. Points-Based Program- Customers earn points for every purchase and redeem them later. *Example:* Spend ₦1,000 → earn 10 points.
2. Tier-Based Program- Customers move to higher levels (e.g., Bronze, Silver, Gold) with more benefits as they spend more.
3. Cashback Program- Customers get a percentage of their money back after purchases.
4. Subscription/VIP Program- Customers pay a fee to enjoy exclusive benefits like free delivery or special discounts.
- 5.Punch Card Program- This is common small businesses. After a number of purchases, customers get a free product.

The benefits of a loyalty program for businesses is that it ensures higher customer lifetime value, lowers marketing costs (retaining customers is cheaper than acquiring new ones), better sales predictability and stronger brand loyalty while for customers, they feel valued and appreciated, get rewards and savings and enjoy personalized offers (Ozgum-Ayan & Selvi,2025). Continuing, he states that the challenges to consider in customer loyalty program include the cost of running the program, poor design may lead to low participation, requires good data management

systems, and must be simple and attractive to customer. The challenges and risks of customer loyalty program are (Nautiyal & Purohit,2025):

- i).Data silos: Many retailers struggle to integrate data across online and offline channels, which hampers seamless experience.
- ii).Operational complexity: Coordinating reward accrual/redemption across channels, handling returns/exchanges across channels, synchronising inventory.
- iii).Customer confusion: If programme rules differ by channel or redemption is not seamless, loyalty trust erodes.
- iv).Over-reliance on transactional rewards: Loyalty in omnichannel settings needs emotional/experiential benefits; purely discounts may encourage churn when the offer ends.
- v).Measurement complexity: Attribution of omnichannel behaviour is harder (e.g., a customer browsed app, visited store, purchased on website).
- vi).Implementation cost: Designing, implementing an omnichannel loyalty system (IT, training, process change) can be resource-intensive. Literature warns that many loyalty programmes fail due to poor execution or lack of strategic alignment. Framework for Developing an omnichannel loyalty programme.

Based on the literature review and your retail context (online + in-store), the following step-by-step framework is proposed (NWODO,2020):

#### Step 1: Strategic Alignment & Objectives

Define what you want the loyalty programme to achieve: e.g., increase repeat purchase rate, increase cross-channel purchases, increase customer lifetime value, reduce churn, turn occasional buyers into omnichannel buyers. Align the programme with your broader omnichannel strategy (in-store+online integration, click & collect, mobile app usage, returns across channels. Ensure executive sponsorship and cross-functional alignment (marketing, IT, store operations, e-commerce, customer service).

#### Step 2: Customer Segmentation & Insight

Use existing data (in-store transaction history, online purchase history, mobile app usage, loyalty member behaviour) to segment customers: e.g., “multi-channel loyal”, “store-only”, “web-only”, “aspiring omnichannel”. Conduct qualitative research (surveys, interviews) to understand customer motivations, pain-points, expectations across channels. Map customer journeys across channels: where do customers start? how do they shift channels? what are the key touchpoints?

#### Step 3: Channel Integration & Data Architecture

Build or refine systems to integrate data across channels: centralised CRM, unified customer ID across web, mobile, store; unified rewards ledger. Ensure the technological architecture supports real time accrual and redemption of loyalty points/benefits across channels. Define how in-store

staff, app interface, web interface show a consistent loyalty experience (e.g., member status, points balance, and available offers). Ensure operational processes enable click & collect, in-store returns of online purchases, cross-channel promotions—these enhance loyalty via convenience and consistency.

#### Step 4: Loyalty Programme Design – Rewards, Tiers, Benefits

Define the reward structure: Points per purchase, bonus points for specific channel shifts (e.g., first purchase online after in-store visit, or first mobile checkout), tiered benefits for high-value omnichannel customers. Mix transactional (points, discounts) and experiential/recognition benefits (early access, exclusive events, cross-channel privileges). Ensure reward redemption works across channels: e-commerce checkout, in-store POS, mobile app. Communicate clearly the rules, benefits, how points are earned and redeemed, and make the process simple and transparent to avoid confusion. Incorporate gamification or progress bars (e.g., “you’re 20% away from Silver tier”, “earn 50 bonus points this week by buying online”). Consider migration journeys: incentivise customers to try other channels (e.g., store-only customers get promo to use mobile app, online-only customers get invites for store experience).

#### Step 5: Engagement, Communication & Personalisation

Use the customer behaviour data to send personalised offers: e.g., “since you often buy X online, we have an in-store demo just for you on Saturday” or “you visited the store but purchased online—next time get 10% off your first mobile app purchase”. Cross-channel communication: app push notifications, e-mail, SMS, in-store displays, website banners—all should reflect the loyalty programme and channel shifts. Create community or social proof aspects: refer-a-friend, member-only events, user-generated content tied to your brand. Encourage customer engagement beyond pure transactions: e.g., ask for feedback after channel-switch purchase, invite review or social share, allow members to redeem points for experiences (in-store event, online masterclass) rather than only discount.

#### Step 6: Implementation & Pilot.

Launch a pilot with a subset of customers and/or channels to test systems, processes, reward mechanics, redemption workflows. Train store staff and online customer service agents on the loyalty programme details so that customer experience is consistent. Monitor redemptions, channel shift behaviour, complaints or friction points (e.g., in-store staff unable to access point balance, app not reflecting recent purchase, website not recognising member status). Collect qualitative feedback from early members: what do they value? what causes friction?

#### Step 7: Metrics & Continuous Improvement

Define KPIs .Set up dashboards and reporting to monitor key metrics by segment, channel, reward type. Continuously refine reward mechanics, tier thresholds, communication cadence, channel-shift incentives based on performance and customer feedback. Use A/B testing where possible

(e.g., test two different bonus-point offers for channel-shift behaviour). Regularly review programme costs vs benefits (incremental revenue, retention, cross-channel purchases) and adjust strategy

### **Metrics and KPIs for Omnichannel Loyalty Programmes**

The suggested metrics for tracking the success of a loyalty programme in the omnichannel retail context include the following (Gao & Huang, 2021; Aaker et al,2017):

- i. Member enrolment rate (percentage of customers enrolled).
- ii. Active member rate (percentage of enrolled customers who engage within a period, e.g., 3 / 6 months).
- iii. Redemption rate (percentage of earned points redeemed).
- iv. Cross-channel migration rate (percentage of loyalty members who purchase in >1 channel).
- v. Incremental purchase rate among members vs non-members (e.g., average spend, frequency).
- vi. Customer lifetime value (LTV) of omnichannel loyalty members vs single-channel customers.
- vii. Churn rate (members who cease activity).
- viii. Net Promoter Score (NPS) or other loyalty/advocacy metric for members vs non-members.
- ix. Cost per member (programme cost ÷ # of active members) vs incremental revenue per member.
- x. Share of wallet change (loyalty members' spend in your brand as % of their total category spend).
- xi. Redemption satisfaction: customer complaints or friction points in redemption across channels

### **Omnichannel Retail and Customer Loyalty**

The omnichannel retail thesis posits that customers do not treat channels in isolation: they browse online, buy in store, pick up via click-and-collect, return via app, etc.(Allen-Taylor,2023) A seamless experience across those touchpoints is associated with higher loyalty. For example, Gao & Huang (2021) show that the quality of channel integration (i.e., consistency and ease of moving across channels) positively influences customer engagement and relationship programme receptiveness, which in turn drives loyalty. Studies of omnichannel marketing strategy highlight that delivering a consistent brand experience across channels, enabling personalised interactions, optimising the customer journey and managing data integration are key to boosting customer satisfaction and loyalty. Research in specific contexts (for example Nigeria) has found that omnichannel retail strategy dimensions (online-in-store integration, mobile app, in-store pickup) significantly influence customer loyalty in e-commerce/retail in developing markets. The mechanism: channel integration → better customer experience (including perceived convenience, trust, satisfaction) → increased loyalty (repurchase, advocacy). For instance, a recent article on fresh retailers finds that omnichannel collaborative marketing influences loyalty via the omnichannel shopping experience. Loyalty programmes historically involved points, tiers, rewards, membership benefits. But in an omnichannel world, loyalty management evolves beyond transactions and points: it is about managing the experience, the journey, and the relationship across channels. Light and Femback (2024) argue that loyalty programmes must be viewed through the lens of the “omnichannel customer experience” rather than simply “purchase

frequency”. Key features of effective loyalty programmes (general retail literature): personalization of rewards, recognition (not only transactional benefits), tiers or gamification, seamless redemption across channels, data-driven insights and analytics, integration with CRM/enterprise systems.

### **Specificities for Omnichannel Loyalty Programmes**

The key success factors for loyalty programmes in omnichannel retail are (Nwokah & Ahiauzu,2019; Orth &Rose,2017):

#### **i)Channel Integration Quality**

The degree to which the retailer ensures consistency, connectivity and smooth transition between channels (web → store, mobile → web, in-store pickup, returns across channels). High integration improves customer trust, engagement and willingness to adopt the loyalty scheme. (Gao & Huang, 2021) Example: customers expect their loyalty points/benefits to be valid whether they purchase online, in store, via mobile app, or pick-up in store.

#### **ii)Customer Engagement & Programme Receptiveness**

Engagement refers to behavioral and psychological investment of customers—how they interact with the brand across touchpoints, join communities, respond to communications. Programme receptiveness means customers accept and enrol in the loyalty programme and engage with its rewards structure. Studies show that engagement mediates between channel integration and loyalty.

#### **iii)Data Architecture and Analytics**

In omnichannel contexts, data comes from multiple channels (in-store POS, e-commerce platform, mobile app, CRM, social media). Advanced frameworks (e.g., Roosta et al., 2025) use purchase behaviour, shopping cart data, sentiment analysis, graph-based models to predict loyalty. For loyalty programmes, rich data enables personalization of rewards, real-time offers, predictive modelling of high-value customers, and cross-channel reward triggers.

#### **iv)Segmentation & Personalization**

Not all customers are equal: omnichannel behaviour varies (pure online, pure offline, hybrid). Loyalty programmes should segment customers by channel usage, lifetime value, behavioural loyalty, channel migration. Personalized offers (e.g., mobile app push notification for in-store pick-up, exclusive web deals for in-store customers) strengthen relevance and customer-brand bond. The literature emphasizes personalized interactions as a key omnichannel loyalty driver.

#### **v)Reward System Design Across Channels**

Rewards must be redeemable and earned across all channels seamlessly (e.g., points earned from app purchase count in-store, vice versa). The system should incentivize omnichannel behaviour (for example: bonus points when customer switches channel, or uses click-and-collect).The design should include tiers, gamification, recognition, emotional benefits in addition to purely monetary/transactional rewards.

#### **vi)Customer Experience & Trust**

The loyalty programme is part of the broader customer experience: smooth navigation across channels, consistent brand message, quick resolution of issues, reliable service. Studies show that trust and satisfaction positively impact loyalty in omnichannel environments (NWODO)./ For example, in the skincare retail work: trust enhanced satisfaction and satisfaction impacted repurchase intention and loyalty. vii)Measurement & Metrics The key metrics: include enrolment rate, active participation rate, redemption rate, cross-channel migration rate, share of wallet, customer lifetime value (LTV), churn rate, net promoter score (NPS) among loyalty members vs non-members, incremental visits/purchases after joining programme. In omnichannel context: track channel shift behaviour (e.g., store → web, web → store), and the incremental value of omnichannel loyal customers compared to single-channel customers.

#### Brick-and-Click Businesses (Hybrid Retail Model)

Brick-and-click businesses (also called *click-and-mortar* businesses) are companies that operate both physical stores (brick) and online platforms (click) simultaneously, integrating the two channels to serve customers seamlessly. This model combines traditional retail presence with digital commerce. The Brick → Physical storefront (shop, office, showroom) while the **Click** → Online presence (website, e-commerce store, social media shop, mobile app). The goal is Omni channel integration, where customers can (Nautiyal & Purohit,2025):

- i)Order online and pick up in-store (BOPIS –
- ii)Buy Online, Pick Up In Store)
- iii)Browse in-store and order online
- iv)Return online purchases to physical stores
- v)Experience consistent pricing and branding across channels

A good example of Brick-and-Click Businesses in Nigeria is the Shoprite which operates supermarkets with online shopping options in Africa. In Nigeria, many supermarkets, fashion stores, and electronics dealers now operate both physical shops and Instagram/website sales platforms. The key features of Brick-and-Click businesses are (Padela et al,2023; Kotler & Keller,2022):

#### 1. Omnichannel Strategy.

An Omni channel strategy is a business approach that provides customers with a seamless and integrated shopping experience across multiple channels—both online and offline. These channels may include physical stores, e-commerce websites, mobile apps , ocial media platforms and call centers. The Key features include:

- a) Consistency: Customers receive the same brand experience everywhere.
- b) Continuity: Customers can switch channels without disruption (e.g., order online, pick up in-store).
- c) Customer-centricity: Focus is on customer convenience rather than the channel

An example: A customer browses products on a website, adds items to cart via a mobile app, and completes the purchase in-store.

#### 2. Unified Pricing and Branding

Unified pricing and branding refers to maintaining consistent prices and brand identity across all sales channels. Unified Pricing means same or harmonized prices across online and offline platforms which avoids customer confusion and dissatisfaction and builds trust and transparency. Unified Branding means consistent use of logo, color scheme, messaging and tone of communication. An example: A retailer sells a product for ₦10,000 both in-store and online, with identical promotional messaging and visual identity.

### 3. Integrated Inventory System

An integrated inventory system is a centralized system that tracks and manages stock levels across all channels in real time. The key features are (Arachie et al,2025);

a)Real-time stock updates b) Central database for all locations

c) Synchronization between warehouse, stores, and online platforms. An example: If a product is sold in-store, the system automatically updates the stock level on the website.

### 4. Flexible Delivery and Pickup Options

This refers to offering customers multiple convenient ways to receive or collect their purchases. The common options are home delivery, same-day or next-day delivery, buy online, pick up in-store (BOPIS), curbside pickup and locker pickup stations An example: A customer orders online and chooses to pick up the item at a nearby store within 2 hours. The benefits are that it enhances convenience and speed, reduces delivery costs for customers and improves customer satisfaction.

### 5. Customer Data Integration (Online + Offline)

Customer data integration involves combining customer information from both online and offline interactions into a single unified database. The sources of data are website activity (clicks, searches, purchases), in-store transactions, loyalty programs and social media engagement. The key features are 360-degree customer view, Personalized marketing and data-driven decision making. For example: A retailer tracks a customer's in-store purchases and uses that data to recommend similar products online. The benefits are improve personalization, enhances customer experience and enables targeted promotions and loyalty programs.

The final insight is that all the five concepts work together to support a successful omnichannel business (Arachie et al,2025) :

i)Omnichannel strategy = overall framework

ii)Unified pricing & branding = consistency

iii)Integrated inventory = operational efficiency

iv)Flexible delivery = customer convenience

v)Data integration = personalization and insight

Challenges of Brick-and-Click Businesses.

According to Indrawan (2024) the challenges of brick-and-click businesses are:

**1. Inventory Coordination Issues-** This refers to difficulties in managing and synchronizing stock levels across different sales channels (such as physical stores, warehouses, and online platforms).

In an omnichannel business, inventory must be updated in real time. Problems occur when systems are not integrated or communication is poor. Example: A product shows “available online” but is actually out of stock in the warehouse.

2. Higher Operational Costs- These are the increased expenses involved in running a business, especially when multiple channels (online + offline) are involved. Costs arise from logistics, staffing, warehousing, delivery systems, and technology maintenance. Omnichannel operations require duplication or expansion of resources (e.g., separate teams for online orders and in-store sales).

3. Technology Investment Requirements- This refers to the need for significant spending on digital tools and systems to support modern business operations. Businesses must invest in software and infrastructure such as: inventory management systems, Customer relationship management (CRM) tools, E-commerce platforms and Data analytics tools

4. Channel Conflict (Price Differences Between Online and Offline)- This occurs when there is inconsistency in pricing or offers across different sales channels, leading to confusion or dissatisfaction. Example: A product is cheaper online than in-store, or vice versa. Customers may feel unfairly treated or choose one channel over another.

### **Theoretical Framework**

1. Relationship Marketing Theory- This theory emphasizes building long-term relationships with customers rather than focusing solely on transactions. Loyalty programs are practical tools for implementing this theory.

2. Resource-Based View (RBV)- The **Resource-Based View** suggests that internal resources such as customer data, technology, and brand reputation can provide a competitive advantage.

3. Customer Engagement Theory- This theory explains how emotional and behavioral connections between customers and brands lead to loyalty and repeat purchases.

### **Empirical Review.**

Kotler and Keller (2022) study found that personalized rewards significantly increase customer retention rates in retail businesses.

Laudon and Traver (2021) revealed that omnichannel customers spend 20–30% more than single-channel customers.

Mosina (2024) study showed that businesses using integrated CRM systems experienced higher customer satisfaction levels.

Adebayo and Salau (2023) study highlighted that poorly designed loyalty programs lead to low participation and disengagement.

Indrawan (2024) report emphasized the importance of **AI-driven personalization** in improving loyalty program effectiveness.

### **Research Gap**

Despite extensive research, there is limited focus on integrated loyalty programs in developing economies (e.g., Nigeria). The combined effect of technology and omnichannel systems on loyalty performance and Practical frameworks for design and implementation. This study aims to fill these gaps.

### **METHODOLOGY**

The descriptive and analytical research design were used for the study. The area of the study consist of selected omnichannel businesses (e.g., retail stores, supermarkets, e-commerce platforms). The population of the study consists of customers and business managers within the study area. A sample of 300 respondents was purposively obtained for the study. The logic behind the selection of purposive sampling was that it represented the target population across the study areas that were accessible and willing to participate in the study. The heterogeneous nature of the population made this technique more suitable option for the current study. A questionnaire was designed, managed and administered to the respondents by the researchers as an appropriate data collection tool for this study. The questionnaire majorly contained questions designed on a five point Likert Scale ranging from 5 strongly agree to 1 strongly disagree. More so, the data obtained from the questionnaire were easily transferred and keyed in on a computer software, as they were much easier to tabulate, code and analyze. The sampling techniques of simple random sampling (customers)- and purposive sampling (managers)were adopted for the study. The data sources for the study were primary such as questionnaire and interviews and secondary data which includes journals, reports, textbooks. Both descriptive statistics (frequency tables, percentages) and inferential statistics (regression analysis) were used for the study.

### **FINDINGS AND DISCUSSION**

This section presents the findings of the study based on the responses obtained from 300 respondents across different categories of omnichannel businesses. The findings are organized according to customer loyalty program effectiveness, technology and personalization, challenges of loyalty programs and omnichannel experiences, and the regression results used to test the study hypotheses.

#### **Customer Loyalty Program Effectiveness.**

This subsection presents respondents' views on the customer loyalty program effectiveness in omnichannel businesses. The questionnaire items focused on decision-making influence, loyalty rewards, customer satisfaction and customer value.

**Table 1: Respondents' Responses on Customer Loyalty Program Effectiveness**

S/N	Statement	SA	A	N	D	SD	Total
1	Loyalty programs influence my decision to buy repeatedly	80 (27%)	220 (73%)	-	-	-	300 (100%)
2	I prefer businesses that offer loyalty rewards	100 (33%)	200 (67%)	-	-	-	300 (100%)
3	Loyalty programs increase my satisfaction	50 (17%)	230 (77%)	-	20 (6%)	-	300 (100%)
4	Loyalty programs make me feel valued as a customer	35 (12%)	250 (83%)	15 (5%)	-	--	300 (100%)
				-			

Table 1 emphasis on influence of repeat purchase shows that 80 respondents representing 27% strongly agreed, while 220 respondents representing 73% agreed. This gives a combined agreement level of 100%, meaning that the respondents reported making decisions that lead them to make repeated buying as a result of the influence of loyalty programs. The results also show that 33% of the respondents strongly agreed and 67% agreed that they prefer businesses that offer loyalty rewards, giving a combined agreement level of 100%. Regarding the respondents' satisfaction, 17% strongly agreed and 77% agreed, giving a total agreement level of 94%.while a small proportion of 6% disagreed suggesting that a few respondents are not satisfied with the kind and level of loyalty programs in place. Similarly, 12% strongly agreed and 83% agreed that loyalty programs make them valued as customers, giving a total agreement level of 95% while only 5% of the respondents remained neutral at the instance of the research. The high levels of agreement across the four questionnaire items suggest that repeat buying decision, loyalty rewards, customer satisfaction and customer value are some of the factors that lead to customer loyalty program effectiveness. These factors may contribute to operational inefficiency, increased inventory, high return on investment (ROI) and overall customer delight. The study found that attractive rewards, easy redemption processes, and clear program structures significantly influence customer retention and participation in loyalty programs across retail channels

### **Technology and Personalization.**

This subsection presents respondents' views on the technology and personalization offers in omnichannel businesses. The questionnaire items focused on personalized offers, data sharing, mobile apps and technology.

**Table 2: Respondents' Responses on Technology and Personalization**

S/N	Statement	SA	A	N	D	SD	Total
1	Personalized offers improve my shopping experience	60 (20%)	210 (70%)	30 (10%)	-	-	300 (100%)
2	I am willing to share data for better rewards	90 (30%)	200 (67%)	-	10 (3%)	-	300 (100%)
3	Mobile apps make loyalty programs easier to use.	80 (27%)	190 (63%)	-	20 (7%)	10 (3%)	300 (100%)
4	Technology improves loyalty programs effectiveness	30 (10%)	255 (85%)	15 (5%)	-	--	300 (100%)

In table 2, with regard to personalized offers, 60 respondents representing 20% strongly agreed, while 210 respondents representing 70% agreed. This gives a combined agreement level of 90%, only a small fraction of 10% respondents remained neutral at the instance of the research. This implies that the respondents reported improvements in their shopping experiences as a result of their personalized offers. The results also show that 30% of the respondents strongly agreed and 67% agreed that they are willing to share data for better reward, giving a combined agreement level of 97% while only 3% of the respondents disagreed. Regarding the respondents' mobile apps, 27% strongly agreed and 63% agreed, giving a total agreement level of 90%.while a small proportion of 7% disagreed and 3% strongly disagreed suggesting that a few respondents may not be knowledgeable about the use of mobile apps. Similarly, 10% strongly agreed and 83% agreed that technology improves the effectiveness of loyalty programs, giving a total agreement level of 95% while only 5% of the respondents remained neutral at the instance of the research. The high levels of agreement across the four questionnaire items suggest that personalized offers, data sharing, mobile apps and technology are some of the success factors in omni channel businesses. The study revealed that customers are more likely to remain loyal to retailers that offer customized promotions, discounts, and reward packages based on their shopping preferences and purchase history

### **Challenges of Loyalty Programs**

This subsection presents respondents' views on the Challenges of Loyalty Programs. The questionnaire items focused on loyalty programs understanding, rewards offering, inadequate updates and technical issues in omnichannel businesses

**Table 3 Table 3: Respondents' Responses on Challenges of Loyalty Programs**

S/N	Statement	SA	A	N	D	SD	Total
1	Loyalty programs are difficult to understand.	60 (20%)	210 (70%)	30 (10%)	-	-	300 (100%)
2	Rewards offered are not attractive enough.	90 (30%)	200 (67%)	-	10 (3%)	-	300 (100%)
3	I rarely receive updates about loyalty benefits.	80 (27%)	190 (63%)	-	20 (7%)	10 (3%)	300 (100%)
4	Technical issues affect my participation.	30 (10%)	255 (85%)	15 (5%)	-	-	300 (100%)

In table 3, with regard to loyalty programs, 60 respondents representing 20% strongly agreed, while 210 respondents representing 70% agreed. This gives a combined agreement level of 90%, only a small fraction of 10% respondents remained neutral at the instance of the research. This implies that the respondents reported difficulties in their understanding of loyalty programs. The results also show that 30% of the respondents strongly agreed and 67% agreed that the rewards offered are not attractive enough are, giving a combined agreement level of 97% while only 3% of the respondents disagreed. Regarding the respondents' updates on loyalty benefits, 27% strongly agreed and 63% agreed, giving a total agreement level of 90%.while a small proportion of 7% disagreed and 3% strongly disagreed suggesting that a few respondents rarely receive updates about loyalty benefits.. Similarly, 10% strongly agreed and 85% agreed that technical issues affect their participation in loyalty programs, giving a total agreement level of 95% while only 5% of the respondents remained neutral at the instance of the research. The high levels of agreement across the four questionnaire items suggest that difficulty in understanding loyalty programs, unattractive reward offers, rare updates about loyalty benefits and technical issues are some of the challenges of loyalty programs in omni channel businesses.

### Omnichannel Experience

This subsection presents respondents' views on the Omnichannel Experience.. The questionnaire items focused on online/offline shopping, loyalty programs preference, inconsistent channels rewards and seamless channels experience in omnichannel businesses

**Table 4: Respondents' Responses on Omnichannel Experience**

S/N	Statement	SA	A	N	D	SD	Total
1	I shop both online and offline regularly.	50 (17%)	210 (70%)	30 (10%)	10 (3%)	-	300 (100%)
2	I prefer loyalty programs that work across all channels.	100 (30%)	190 (67%)	-	10 (3%)	-	300 (100%)
3	Inconsistent rewards across channels discourage me.	80 (27%)	190 (63%)	-	20 (7%)	10 (3%)	300 (100%)
4	Seamless experience across channels increases my loyalty.	30 (10%)	255 (85%)	15 (5%)	-	-	300 (100%)

In table 4, with regard to online/offline regular shopping, 50 respondents representing 17% strongly agreed, while 210 respondents representing 70% agreed. This gives a combined agreement level of 87%, only a small fraction of 10% respondents remained neutral at the instance of the research and 3% of the respondents disagreed. This implies that the respondents reported improvements in their shopping experiences using both online and offline regularly. The results also show that 30% of the respondents strongly agreed and 67% agreed that they prefer loyalty programs that work across all channels, giving a combined agreement level of 97% while only 3% of the respondents disagreed. Regarding the respondents' inconsistent rewards across channels, 27% strongly agreed and 63% agreed, giving a total agreement level of 90%.while a small proportion of 7% disagreed and 3% strongly disagreed suggesting that a few respondents may be discouraged about the exercise. Similarly, 10% strongly agreed and 85% agreed that seamless experience across channels increases their loyalty, giving a total agreement level of 95% while only 5% of the respondents remained neutral at the instance of the research. The high levels of agreement across the four questionnaire items suggest that online and offline regular shopping, working loyalty programs across channels inconsistent rewards across channels and seamless experience across channels are some of the respondents observed experiences in omni channel businesses. Customers prefer retailers that provide seamless experiences across physical stores, websites, mobile applications, and social media platforms. Integrated shopping channels enhance convenience and customer satisfaction

### Hypotheses

This section presents the regression results used to test the four hypotheses of the study. The hypotheses examined the effect of customer loyalty programs on customer retention, personalized loyalty rewards on customer retention, technology integration on the effectiveness of loyalty programs and omnichannel integration on customer participation in loyalty programs.. The results are summarized in Table 5.

Table 5: Summary of Regression Results for Test of Hypotheses

Hypothesis	Predictor Variable	Dependent Variable	Coefficient	Std. Error	t-value	F-statistic	R	R <sup>2</sup>	Decision
H <sub>01</sub> : Customer loyalty programs effectiveness have no significant effect on customer retention.	Customer loyalty programs	Customer retention	0.702	0.297	3.235*	35.210	0.646	0.417	Rejected

## Publication of the European Centre for Research Training and Development -UK

H <sub>02</sub> : Personalized loyalty rewards has no significant effect on customer retention in omnichanne l retail businesses.	Personalized loyalty rewards	Customer retention	0.802	0.21 7	3.335* *	36.230	0.74 6	0.55 6	Rejecte d
H <sub>03</sub> : Technology integration has no significant impact on the effectiveness of loyalty programs.	Technology integration	Loyalty programs effectiveness	0.816	0.24 4	3.235* *	36.361	0.82 0	0.67 2	Rejecte d
H <sub>03</sub> : Omnichanne l integration does not significantly influence customer participation in loyalty programs	Omnichanne l integration.	Customer participation	0.734	0.26 8	3.241* *	35.275	0.67 8	0.45 9	Rejecte d

Table 5 shows that customer loyalty programs effectiveness have a positive coefficient of 0.702 and a t-value of 3.235, showing that practices such as repeat buying decisions, loyalty rewards, increased satisfaction and customer value significantly improve customer retention in omnichannel retail businesses.. The R value of 0.646 indicates a positive relationship, while the R<sup>2</sup> value of 0.417 shows that customer loyalty programs effectiveness explains 41.7% of the variation in customer retention. Personalized loyalty rewards has a coefficient of 0.802 and a t-value of 3.335, indicating that the use of personalized offers and sharing of data for better rewards significantly improve customer retention. Its R<sup>2</sup> value of 0.556 means that personalized loyalty rewards explains 55.6% of the variation in customer retention. Technology integration has the strongest explanatory power, with a coefficient of 0.816, a t-value of 3.410, and an R<sup>2</sup> value of 0.672, meaning that technology and mobile apps explain 67.2% of the variation in loyalty programs effectiveness. Omnichannel integration has a coefficient of 0.734, a t-value of 3.241, and an R<sup>2</sup> value of 0.459,

meaning that online/offline regular shopping, working loyalty programs across all channels, inconsistent rewards across channels and seamless experience across channels explains 46% of the variation in customer participation in loyalty programs. Since all the t-values are significant at the 5% level and the F-statistics confirm that the regression models are statistically meaningful, all four null hypotheses are rejected. Therefore, customer loyalty programs, personalized loyalty rewards, technology integration and omnichannel integration have significant positive effects on customer retention, loyalty programs effectiveness and customer participation in loyalty program

### **Implications for Practice**

For retailers operating both online and offline, the omnichannel loyalty programme is not just a marketing tool—it becomes a strategic driver of customer behaviour. Customers who are loyal across channels often spend more and more frequently, are less price-sensitive (since they have established habit/relationship) and serve as advocates (via referrals, reviews, social share). Help the retailer recover from competitive pressures (e.g., online Pure-Play competitors). Hence, designing a loyalty programme specifically for omnichannel retail can help your business lock-in high-value customers, encourage channel-switch behaviour (which may reduce cost or increase margin), and create a sustainable competitive advantage

### **CONCLUSION**

In an environment where customers move seamlessly between channels, the design and implementation of a loyalty programme must reflect that reality. Loyalty is no longer only about points and repeat purchases—it is about recognizing the customer across all channels, seamlessly rewarding behavior, personalizing interactions, and measuring cross-channel value. For an omnichannel retail business (online + in-store), adopting the proposed framework—covering strategic alignment, segmentation, data integration, reward design, engagement and metrics—offers a structured path to build a meaningful loyalty programme. When done well, such a programme not only boosts retention but drives cross-channel behavior, enhances lifetime value, and strengthens competitive positioning

### **Recommendations**

Based on the findings of the study, the following recommendations were made:

- i).Retail firms should design simple and attractive loyalty programs.- Retailers should ensure that loyalty programs are easy to understand, accessible, and beneficial to customers across all shopping channels.
- ii).Organizations should strengthen omni-channel integration.-Retail firms should integrate their physical and digital platforms to provide customers with seamless shopping experiences and consistent loyalty benefits.

iii).Retailers should adopt personalized marketing strategies.- Customer data analytics should be used to develop personalized rewards, targeted promotions, and customized shopping experiences that improve customer retention.

iv).Investment in modern technology should be prioritized.- Retail organizations should invest in reliable digital infrastructure, customer relationship management systems, and mobile technologies to improve loyalty program implementation.

v).Retail firms should improve customer data management systems.- Organizations should establish integrated databases that synchronize customer information across all retail channels to avoid inconsistencies in rewards and services.

vi).Strong cybersecurity measures should be implemented.-Retailers should protect customer information through secure payment systems, data encryption, and privacy policies in order to build customer trust and confidence.

vi).Employees should receive regular training.-Retail organizations should organize continuous training programs for staff to improve their understanding and management of omni-channel loyalty systems.

vii).Management should ensure consistent communication across channels.-Promotional messages, loyalty rewards, and customer support services should remain uniform across stores, websites, and social media platforms.

viii).Small and medium-sized retailers should adopt scalable loyalty solutions.-To reduce costs, SMEs should implement affordable and flexible loyalty technologies that can grow with their business operations.

ix).Further studies should be conducted on emerging retail technologies.-Researchers should examine the influence of artificial intelligence, big data analytics, and blockchain technology on customer loyalty programs in omni-channel retailing

### **Acknowledgements**

We wish to express our profound gratitude to God Almighty for His grace, wisdom, strength, and guidance throughout the successful completion of this research work titled *“Designing and Implementing Customer Loyalty Program for Omni channel Businesses.”* Without His divine support, this academic effort would not have been possible. We are equally grateful to the academic staff of Marketing/Mass Communication Departments of Rhema University Nigeria, Aba, Abia State, for their intellectual contributions, mentorship and the knowledge imparted during the course of this study. Their teachings provided the foundation upon which this research was built.

We would like to acknowledge the contributions of researchers and authors whose published works formed the theoretical and empirical foundation of this study. Their scholarly efforts in the fields of customer relationship management, Omni channel retailing and loyalty program design greatly enriched this research. Special appreciation goes to the management and staff of various omnichannel businesses and organizations who provided useful information, data, and insights

during the course of this study. Their cooperation and willingness to participate in discussions and surveys made this research more robust and practically relevant. We also extend our heartfelt thanks to our colleagues and friends for their moral support, constructive discussions and encouragement throughout the period of this research. Their presence made the academic journey less burdensome and more rewarding. Our deepest appreciations go to our family members for their unwavering love, patience, financial support and understanding. Their continuous encouragement and belief in our academic pursuit served as a strong motivation to complete this work. We remain sincerely grateful.

## REFERENCES

- Aaker, D. A., Kumar, V., & Day, G. S. (2017). *Marketing Research*. Wiley Publishers.
- Adebayo, A. A., & Salau, A. A. (2023). Perceived value and customer satisfaction in Nigerian airline businesses. *JOIN: Journal of Social Science*, Vol. 2(4).
- Alaegor, A. (2025). *Leveraging generative AI for innovative marketing strategies in enhancing SME growth in Aba, Abia State, Nigeria*, *International Journal of Generative AI*, 2(2), 1–18 [https://doi.org/10.34218/IJGAI\\_02\\_02\\_001](https://doi.org/10.34218/IJGAI_02_02_001)
- Allen-Taylor, K. O.,(2023). Assessing the environmental problems of plastic waste in Lagos State Nigera. *Open Journals of Environmental Research (OJER)* ,ISSN..2734-2085, Vol.3,Issue1., pp.11-22
- Arachie, A. E., Ohuonu, O. N., Anagwu, V. K., & Okeke, N. C. (2025). Assessing the technological readiness of small businesses for AI-powered transformation: A West African context. *African Journal of Management and Business Research*, 20(1), 137–156
- Chaudhary, R & Bisais, S.(2018). Factors influencing green purchase behavior of millennials in India. *Management of Environmental Quality*,29,798-812.
- Chen, X., Su, X., Li, Z., Wu, J., Zheng, M., Xu, A. (2022). The impact of omni-channel collaborative marketing on customer loyalty to fresh retailers: the mediating effect of the omni-channel shopping experience. *Operations Management Research*, 15(3-4), 983-997.
- Chiyem, I. R., Ofili, P. N., Nelson, E. C., Ebele, E. M. (2024). Omni-channel retail strategies and customer loyalty: A focus on e-commerce stores in Nigeria. *Edelweiss Applied Science and Technology*, 8(6), 6236-6250
- Gao, M., & Huang, L. (2021). Quality of channel integration and customer loyalty in omnichannel retailing: The mediating role of customer engagement and relationship program receptiveness. *Journal of Retailing and Consumer Services*, 63(C) (Elsevier).
- Indrawan, Y. W. (2024). Omnichannel Marketing Strategy to Enhance Customer Satisfaction and Loyalty in the Modern Retail Industry. *JOIN: Journal of Social Science*, Vol. 1(6).
- Keller, K. L. (2013). *Strategic Brand Management: Building, Measuring and Managing Brand Equity* (4th ed.). Pearson Education.

- Khalufi, N. A. M., Sheikh, R. A., Ali Khan, S. M. F., & Onn, C. W. (2025). *Evaluating the impact of sustainability practices on customer relationship quality*. Sustainability.
- Kotler, P., & Keller, K. L. (2022). *Marketing Management* (16th ed.). Pearson Education.
- Laudon, K. C., & Traver, C. G. (2021). *E-Commerce: Business, Technology and Society*. Pearson Education.
- Light, N., & Fernbach, P. M. (2024). “Keep It Simple? Consumer Perceptions of Brand Simplicity and Risk.” *Journal of Marketing Research*, 61(3), 415–430.
- Magdy Zaki, M., Mohamed, S. S., & Ibrahim, A. R. (2025). *Role of Green Marketing Mix in Enhancing Customer Engagement*. Int. J. Tourism & Hosp. Mgmt.
- Mosina, Y. (2024). Design and implementation of omnichannel loyalty programs for retailers. *The American Journal of Management and Economics Innovations*, 6(08), 55-63.
- Nautiyal, P., & Purohit, D. H. C. (2025). *Global research trends on green marketing mix and consumer intentions*. J. Soc. Rev. Dev. .
- Nwokah, N. G., & Ahiauzu, A. I. (2019). Market orientation and business performance among SMEs in Nigeria. *African Journal of Business Management*, 13(4), 112–125.
- OmoFowa, M., & Nwachukwu, C. (2025). Customer value and organizational outcomes in Nigerian firms.. *Customer Experience*. Routledge/Taylor & Francis.
- Orth, U. R., & Rose, G. M. (2017). “Consumers’ Brand Identity Complexity: Conceptualization and Predictive Ability.” *European Journal of Marketing*, 51(2), 304–323.
- Özgün-Ayar, C., & Selvi, M. S. (2025). *A Scale Development Study on Green Marketing Mix Practice Culture in SMEs*. Sustainability.
- Padela, S. M. F., Wooliscroft, B., & Ganglmair-Wooliscroft, A. (2023). “Systematic Theory Mapping: Deciphering Causal Complexity of Brand Externalities.” *Journal of Macromarketing*, 44(1), 23–40.
- Roosta, S., Sadjadi, S. J., Makui, A. (2025). Predicting customer loyalty in omnichannel retailing using purchase behaviour, socio-cultural factors and learning techniques. *PLOS* Nwokah, N. G., & Ahiauzu, A. I. (2019). Market orientation and business performance among SMEs in Nigeria. *African Journal of Business Management*, 13(4), 112–125.