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## Beyond Rewards:

An Interview with Zsuzsa Kecsmar, Co-founder and Chief Strategy Officer at Antavo AI Loyalty Cloud.

### Zsuzsa Kecsmar:

Zsuzsa Kecsmar is the Co-Founder of Antavo AI Loyalty Cloud, one of the leading SaaS platforms in the world.



Practically every company these days feels the need to have a loyalty program of some kind. Anything to keep customers coming back.

With so many programs out there, all more or less cut from the same cloth, loyalty fatigue often sets in amongst customers. They're always quick to enroll for the points, discounts and perks – why wouldn't they? - but then they go dormant shortly after when the rewards turn out to be underwhelming.

Member activation is a persistent challenge for most loyalty marketers, exactly because there is so very little difference between one program and another, apart from the reward mechanics. "Spend this much to get this much in return" is the standard pitch. While the form of reward varies by industry – flights, stays, perks, freebies, cashback, etc – the value exchange is almost always purely transactional. The value of joining is reduced to a savings calculation. How long will it take me to earn my reward, and will it be worthwhile? Customers know

they are being bribed with their own money – but better than being ripped off, they figure.

This reward model has stood the test of time through two distinct eras – the trading stamp craze of the 1950s and 60s when 80% of households avidly kept stamp books which they redeemed for merchandise – and the modern points-based era that began when the airlines used their reservation databases to enroll frequent fliers. Ever since then program designers have stuck to the same proven "Give-to-Get" playbook.

With the sudden rise of agentic commerce, however, there is an urgent need to improve the perception of program value amongst members – to go beyond rewards. For one thing, brand loyalty is in decline. Today people feel they are nothing more than pawns on a chessboard - paying more to get less – treated like an ATM machine. They feel caught on a "hamster wheel of debt"<sup>1</sup>, leaning on credit to make ends meet. But thanks to AI shopping assistants, power is finally shifting to them, as these personal agents boil brand choice down to the most nutritious facts, no matter what the rewards-to-point ratio may be.

If a brand's citable attributes - price, features, Reddit reviews, 3rd party ratings - don't stand up to scrutiny - if the brand is easily substitutable, with no distinctive claims - it will never make it past the starting line, disqualified from even competing. The only countervailing strategy, aside from being noticeably best or better at something, is to augment the value proposition - more personalized experiences, more active customer recognition, more compelling entitlements – to do whatever it takes to make customers feel the brand actually cares about them. As the new Kraft Heinz CEO recently said, "Consumers are literally running

out of money toward the end of the month. Being there with the right offering at the right time has never been more important.”<sup>22</sup>

That’s why more money is being pumped into loyalty programs than ever before. The global market is expected to grow at a CAGR of almost 11% over the next 7 years. Loyalty is finally being seen as a growth driver – as a business imperative. Loyalty databases are deemed a strategic asset – the key to unlocking future cash flow. What’s more, the program ROI is easier to prove than ever before. Centralized loyalty engines that capture the full extent of customer interactions are now crucial to not only driving customer engagement and repeat purchase but revealing distinct and actionable behavioral segments. But before the full potential of loyalty programs can be realized, brands have to first ask themselves this question: “What would make a customer choose them if there were no rewards attached”?

The answer, according to the 5th annual Antavo Global Customer Loyalty Report, is to go beyond rewards and make every interaction feel valuable. Antavo is a London-based loyalty technology company that got its start 14 years ago and has since grown into one of the major platform suppliers in the market with clients across many different B2C sectors in Europe and elsewhere.

As Antavo points out in the report, customers don’t feel as valued as loyalty marketers would like to believe. Loyalty programs can break out of the sameness trap and deliver more rewarding experiences by mapping the data they have to the preferences of customers.

The report, brimming with facts and insight, is one of the largest and most comprehensive of its kind. One of the main authors of the Report is the Hungarian-born Co-Founder and Chief Strategy Officer Zsuzsa Kecsmar. She was named Personality of the Year at the 2024 International Loyalty Rewards, and named by Forbes as one of Europe’s top 100 female founders in tech.

I started by asking Zsuzsa how she was able to make the leap from an early career in radio journalism to the world of martech.

SS

**Stephen Shaw (SS):** Zsuzsa, you started your career as a radio producer and broadcaster, and just I think four years later you, you co-founded Antova. How did you make the leap from broadcasting to martech? That’s quite a jump.

ZK

**ZSUZSA KECSMAR (ZK):** Uh, it’s a great question and thanks for asking. I think simply I understood that I’m not talented enough for radio. That’s, that.

SS

That’s hard to believe.

ZK

Well, it’s, I think a very well observant thing of me who was 22 back then. So imagine that during my university years, I spent these almost five years working for radio stations, local radios. This is how I bought my first suitcase. This is how I had my pocket money for travel and all the non-essential things that the university students would want. But then I realized that I’m a very hardworking person. But in order to make it successfully in media, you also need to be effortless and then to have this personality that is a fit. And I thought, it’s just not me. I’m not talented enough. This was the point till where, till my hard work brought me and then I, I hit my own ceiling. So I was thinking like, what is my path? And then I met my co-founders and then realized that, yeah, software service, that new thing, that is something that we could succeed in together with my co-founders.

SS

Tell me about the origin story behind the business though. You said co-founders -introduce me to who they were and how you came upon the idea to start the company.

ZK

So I was in the final year of university and I met my boyfriend basically, who is my husband and the father of our three children. He wanted to hire me to do some marketing work for his previous business. Then we really hit it off and then become a couple and basically moved in together. And then we realized that I have this international vision and he has technical expertise and he had his longtime colleague who is our CTO, Chief Technology Officer ever since. And then we had other co founders joining us on the way. And then we found ourselves building this software as a service company. This was back in 2011, 2012. And we built a software as a service, a marketing technology that was basically built upon Facebook back then when Facebook had its TikTok era. It’s a very high growth.

But our piece of software was used in a seasonal way as it was used for contests and sweepstakes. It was quite seasonal. And then we ourselves had terrible churn. So we realized that we need to have more loyal customers. This is how we turned our eyes to customer loyalty. And then we realized that well we could do this. And then basically we left our old product behind which was actually used by 30,000 customers at one point from great companies including American Airlines. But we decided to scratch

that and then start in loyalty because we realized that the industry was at an inflection point.

Before we started it was only the bigger companies, the big airlines, the hotels, who had loyalty programs. And over those course of, and over those years this is when smaller companies with the usage of software as a service started to have their loyalty programs and they were part of that wave. Also there was another wave which made the typical transactional loyalty programs more behaviour driven with not only coupons as rewards and our technology was able to do that in a flexible way that didn't only support one store or one channel, but multiple storage channels and countries at the same time. So this is how basically Antavo was born. And 2020 this basically the start of COVID found us very ready and we were able to grow with that big ambition globally that loyal customers should be the source of business growth and customer growth.

SS

So was your growth fairly quickly? Like you were moving from small businesses to enterprise level businesses. That's often a long sale and you're up against some pretty entrenched competitors I would imagine. Tell me about how you were able to grow the company. (4:51)

ZK

Well yes, and pretty quickly. I think it's always a relative term because I always like the saying that every overnight success is basically 10 years in the making. There is no such thing as overnight success. And I think we are this typical example of an overnight success which cost like little, which was like ten years. And yeah you're right from smaller businesses, today we are serving large companies like Hyatt Hotels, Tommy Hilfiger, Calvin Klein, Bayer, the crop sciences division of Bayer or great established companies who are not that huge but well-established, like Flying Tiger, Paul Smith, KFC is also among our customers.

I would say today our ideal sweet spot, or if I can rephrase, the companies we are the best fit for are those mid market companies who have a relatively modern technology stack and they would like to find the loyalty platform that they would like to grow with because this is the last platform that they need to replatform to. From this we can basically do whatever.

So, we had this nice journey from going from small businesses being able to serve the enterprise. Some of our companies' customers grew with us like Skims if you can imagine. They started off with us as a smallish company and they are through the roof. And today we are able to serve mid markets, smaller enterprise, really, these kinds of companies.

SS

So when you're promoting your business, what makes the business distinctive? There are a lot of other competitive platforms, as I alluded to before. What's your elevator pitch when you go in and talk about your platform versus others?

ZK

So Antavo is an AI software as a service for loyalty programs, which combines the security and scalability of software as a service and the innovativeness and low cost of ownership of an AI solution. If you imagine the loyalty program life cycle, it consists of designing, running and optimizing a loyalty program. With our software as a service, running a loyalty program is secure and effective and scalable. And with our two new AI products, the Planner and the Optimizer, we're basically giving an AI loyalty designer to the loyalty teams or businesses, and we are giving them an AI data analyst to optimize the loyalty program. Before, teams didn't even have a data analyst. Now this is a job title that they have right now that they always wanted to have as a person. Now they have it in the form of AI.

SS

Yeah. So I want to come back to discussion of loyalty technology and platforms a little later in this conversation. But obviously the focus, uh, of this conversation is your most recent, Global Loyalty Report. I think it's the fifth year you've produced it, is that right?

ZK

Exactly.

SS

And you titled this year's version the "Age of Value". What made you choose that title?

ZK

Well, now as we are doing this for the fifth year, we have a bit of a historical understanding of loyalty and loyalty programs. And not only from this past five years but basically from the past decade where we are in the loyalty space. And being inspired from Taylor Swift, we created four eras of loyalty programs. And basically the fourth is the value age. Number one, the first era is the "points age",

when it was mainly airlines, and hotels, and credit card companies, who had these loyalty programs. And mostly these were simple points programs, no matter how they were called, whether miles or nights.

And the second is the “brand age” when the also SR company started to operate, when brands could have their own loyalty programs. This is when phrases like omnichannel, gamification, personalization and brand experience were important. And the third is the “data age” that we just passed, which started around COVID. And this is when companies understood the importance of their existing customers and how they can use them as a source of growth. This is also the age of like, changing cookie policies, data regulations.

And the “value age” is basically today, when customer data is so important to train your company AI that is unlocking the future for your company. And the loyalty program is the single best consented data source of such data. In the value age, loyalty programs are valuable not only for the consumer, but also for the marketer. And then we have numbers breaking down how it is important for the consumer today, how it is important for the marketer today. (10.32)

SS

So give me then the main takeaways from this year’s report - new trends you’ve identified, key facts that people should be aware of.

ZK

The most important takeaways from the Global Customer Loyalty Report 2026, [?] is that over a quarter of loyalty points go unspent, unfortunately. And almost 12% of points expire unspent. And this is a phenomenon that signals many things. First of all, we shouldn’t think that consumers take our loyalty programs for granted because they have their lives to live, and at the same time they’re missing out on rewards that they’ve earned or benefits that they should have unlocked or actually used. And we know from our experience, when we look at the account health of our own customers, that reward redemption rate is a very important health metric. And then if over a quarter of loyalty program points go unspent, it’s not good neither for the consumer, nor for the businesses. So that’s one takeaway.

SS

So in maybe one of the past eras, that kind of slippage became very profitable because effectively the customer wasn’t taking advantage of the discounts they’d been

offered. And so basically the company could pocket the difference. So are companies realizing that’s probably not the best thing to do in terms of customer relationship management?

ZK

Exactly. And we ask customers why usually they are unhappy with a loyalty program. And they’ve learned all these answers that are underpinning this, that it’s not only slippage as the benefit companies should be thinking of, but what is the customer experience. And basically the disappointment list from the consumers are that first of all, it takes too long to earn rewards. The second is that rewards expire before your customers could use them. And the third is unattractive rewards. And the fourth is a lack of proper great deals. And the fifth is what makes consumers disappointed is the hygiene stuff like technical errors or unclear rules. So basically, consumers really want to spend these points, um, because if they don’t, they just like, go away. They churn. We have numbers related to these too, that 74% of loyalty program members will quiet quit. They will like, ghost you after just two months.

SS

In two months - that was one of the surprises for me looking at that report. That is a very high number.

ZK

Yeah.

SS

74% within two months go dormant.

ZK

Yeah.

SS

And you’re saying that’s attributable largely to the fact that the program design in terms of reward and value isn’t satisfying for the customer.

ZK

Yes. Or it’s not communicated enough. So it needs to be like a very strong value promise of the loyalty program and great communication execution because there is a lot of noise and companies need to stand out with their communication and it’s a hard thing to do. They don’t want to overdo it. But also, they need to do it in a way that it reaches the customer and they can reap the benefit.

SS

Yeah. What else stood out for you on this report?

ZK

They just talked about consumers and now we can talk about marketers. There is one encouraging thing related to how marketing budgets are spent, is that in case of those people who have a loyalty program, so those companies who have a loyalty program, more than 50% of the total marketing budget is allocated to loyalty and CRM and

on the existing customer. It's quite a high number. And we very much welcome this learning because this shows that investing into the existing customers is a true growth engine for the entire company. Before that these numbers were closer to 35% and then 32%. And so, for the first time this is a much higher number this year. We also think that it's due to the reason that advertising with Meta and Google now it's like much more difficult and expensive. (15.11)

SS

So are you saying that ad, digital ad dollars are being redirected into - where a company has a loyalty program - is being redirected into the loyalty program? That's what you seem to be implying.

ZK

Exactly.

SS

And that's a big increase going from 30, 35% to over 50%. That's a big jump.

ZK

Big jump. And also it's not only ad dollars but also promotional spend because we asked this question from people that if they could, would they drive their promotional spend to within the loyalty program, and I don't know the number off the top of my head. I would need to research into the global customer loyalty report that most of them said that yeah, they would do it in a loyalty program because the thinking there is that if a promotion is given but it's only like one single purchase that comes out of it, it's not worth it. If a promotion is part of a loyalty program, then you can expect more purchases after that. And this is how it pays off on the long run.

SS

Another fact that stood out for me is that 56% of customers said that loyalty programs make them feel valued. That strikes me as low when you consider the whole point of a loyalty program. What would make customers feel more valued?

ZK

So what would make customers feel more valued is if marketers would look at all the things that they want to achieve, like taking less time to earn rewards, for example, clearer rules and more flexible rules around reward expiration, more attractive rewards, better rewards, and [?] stuff, which is like, it just works smooth and it will just like work. This is what customers are expecting and these are not huge expectations.

On the other hand, these all require business decisions because for the longest time we thought of expiration as

a thing that must happen. But it's clear that consumers are expecting more flexibility around that. I think communication is key. So if communicated properly, communication can really, really achieve like, less disappointment around expiration. Even though some companies really insist on expiring points, and (?), and rewards from time to time.

SS

I think the other thing that stood out for me though was the type of rewards, you know, the traditional loyalty programs - earn and burn, very transactional. Has there been a change in the desire of customers for, say, experiential awards or rewards that go beyond discounts?

ZK

Basically, yes, definitely. And this is an ongoing trend in the past years. Last year we put it in a way that customers come from the meat and stay for the gravy. And it's very important that there is a strong financial reward which is the main driver of the value relationship with the customer. But there needs to be all the rest of the things that will make people stay and appreciate the loyalty program. And this is how they stay for the gravy, come for the meat and stay for the gravy. This was a big, big conclusion for us in last year's report.

SS

Another aspect of this to me that's often missed by companies as well, is having segmented entitlements. That is, you know, I mean, obviously the airlines have done this for years. But in terms of loyalty programs going above and beyond for those customers who are truly driving, you know, 60 or 70% of the business, that there's recognition and specific entitlements for them. Do you see that going on with companies today? That they're trying to go out of their way for those customers who are very special?

ZK

Yes, and they do that very well, fortunately. So many companies realize how important it is that they have their best, their very best customers and they are able to make them happy. We have customers who have secret tiers in their tiered loyalty program. Meaning that most people are in tier one, tier two or tier three, within the loyalty program. But there is one more tier that is not visible for the public eye. And it's those people got invitation who are the best customers. And in their cases it's private treatment. It's the basically the equivalent of that custom phone number that you would have received in your diamond card from that airline 10 years ago. (20.11)

SS

The other thing that stood out for me too, and this is positive certainly, is that something like, 85% of marketers are satisfied with the revenue impact of their programs. That is, they're getting ROI on these programs. Presumably that's why they can get bigger budgets, is because they're showing higher returns. Is that your impression from this report as well?

ZK

Yes. And this is a growing tendency. When we started this report in 2022, it was 50% of marketers who were satisfied with the loyalty program. And today it's 83%. And then it had a nice and steady growth in the past year. And we also researched that, what are the reasons really why people are happy with their loyalty program? And number one reason is that a loyalty program gives an opportunity to, for deeper engagement with the customer. If you think about it, your everyday relationship would be with the customer would be quite transactional, that there is this product and the customer buys that product and you hope that they come back. That's that.

But a loyalty program provides this platform where this can be taken to the next level. You can talk with them without just encouraging them to buy because you can talk with them about all the other things that they can get. So this is what fostering deeper engagement means. Number two, the second reason why brands are satisfied with their loyalty programs, that it can meaningfully help them driving repeat purchases and incremental sales. And number three is the data, the point of data that with loyalty program they can gather valuable customer data.

SS

The other thing that I was really quite impressed with, it's a global report. And so I was blown away by the fact that there are so many countries first of all covered in the report. That's amazing because you have all of these comparative statistics in all of these different dimensions of, of loyalty. And it's interesting to just go down the list, comparing one country to another. Loyalty has really expanded over the last number of years, not just in terms of country penetration, but also industry penetration. I was impressed by the diversity of industries that are operating loyalty programs. Is that another trend you've seen over the years, just the expansion of loyalty into industries that before would never have considered the, to be a candidate for a loyalty program?

ZK

Well, yes, definitely. And you are right with that because, years ago it would be really the hotels, the airlines, the credit card companies who launch loyalty programs. And today we have all kinds of customers. Like, one is selling toys, both directly and then through department stores. The other is selling chicken, like every day, multiple times. The other is selling fertilizers and pesticides. So it's all kinds of companies, that just want to have loyal customers. And this is why it's really important to nail loyalty strategy that our global network of partners do. Because obviously a company like Tommy Hilfiger, which is an luxury fashion, is very different from our customer, which is the Icelandic supermarket chain. So it's, it's very, very different.

But when it comes to tech, I'm very happy to report that same technology can power multiple kinds of loyalty programs. And I think we really did a good job to make this report a global customer loyalty report. I don't think that there is any other reports globally that would be this comprehensive. First of all, we analyzed 500 million data points from the loyalty programs that are running on our technology globally. And then we've done a consumer panel of 10,000 people and a marketer panel of 3,000 people. And then we had these bigger cohorts from different countries and then bigger cohorts of different industries and also age groups.

So this is how we ended up at, like, quite a balanced and representative study globally. I'm quite proud of it because it's not small feat to pull off something like this. And now we did it for the fifth year. We always really get tired by the end of it when we launch. It feels like, oh, it's like, in a way, it's a big climax. But also deflation, like, okay, now we are spent. But it's always worth it because it helps people to find benchmarks to their own industries and customer segments and geographies. It helps them, people to prove their points, to pitch their ideas to their clients, their management, their board. We give them basically the numbers to refer to. (25.21)

SS

And that's why I'm talking to you today, because I am so impressed by this report. I see all of them, whether it's Medallia or Loyalty 360, you name it. This is the most valuable report that I, that I run across. And you guys do an amazing job on content marketing. I think that's the other kudos. And you know, because you present so much

concrete information by different types of industries and case studies and references, as you say. So again, kudos for doing a brilliant job on content marketing.

ZK

Thank you.

SS

That has to be your journalism background.

ZK

I have to say, yes, you are right. It was me first typing away the first e-books and articles, how to create a loyalty program after basically subscribing to hundreds of loyalty programs. And then you would see my phone, it's full of apps with loyalty programs and I have all these passes in my Android wallet, all kinds of programs. And then over time we were able to like grow the team and hire experts that are even better than I am. And then now there's a whole team behind it. But thank you for recognizing this because we really do put a lot of effort into education. This was our growth engine all the time.

SS

There's only one other technology company I know of that does as good a job and that's HubSpot, which, you know, it's targeted more to the SMEs than, than you because you're at enterprise level. But, they're the only other company I've run, technology company I've run across that's, that's absolutely brilliant at content marketing.

I want to move on a bit, you know, not just talk about the report, but let's expand the conversation a little bit in terms of best practices. And one of the things you have been referring to through this conversation is that companies are recognizing the value of having a customer database for one thing, the shift to data driven marketing, the shift of budgets to targeting customers more effectively, all of that. There is this line though between loyalty programs which have in the past tended to be silos operating independently of a broader CX strategy, even practice. Are you seeing those boundaries begin to overlap from an organizational design standpoint? Are you seeing loyalty programs being folded under a CX umbrella, or are you still seeing that they're really on parallel tracks with different mandates, different remits? What are you seeing out there at the enterprise level in terms of organizational design?

ZK

It's a good question. And we have research around this from last year. So last year we asked where the people who work on loyalty programs report to, and most of the times they report to where CX reports to and most of the time CX, like customer experience, reports to marketing.

So this is how it is built up within the organization.

Loyalty reports to CX, CX report to marketing. Businesses do better and better and better jobs with their CX. I'm very impressed because like, lately that the job is easy, the people are not, and people working together are oftentimes, it's the hardest thing in the world, even though it's the most natural thing in the world.

And sometimes when you're interacting with a company you can just see that. Well I see it as a marketer that. Okay, so this email was sent to me from the marketing team.

This was sent from merchandising. This was a technical message that I received because I placed an order and then they are letting me know where the order is. Basically just from the emails I received from the company, I can draw an organizational chart. And this is not how it should be because I'm just a girl who just wanted to buy this bag of organic coffee and I just want to like, have my coffee, learn some things about coffee and then buy again if I like it.

So the great way to do it is if companies do not focus on their teams. If I can't read the organization chart from the communication that I receive from the business, what if it put me as a customer in their centre and design their whole communication around it? And I do think that there is this great change and companies do better and better and better jobs around that.

SS

Well, I think in part because technology and data management keeps improving, so it makes it a little easier. But you're right, I've experienced that as well. Different tone of the communications that you know exactly who that's coming from as you point out. And, that's one of the great things about, obviously to your point earlier about creating a loyalty program, is it does allow you to have a unified customer database. I'm going to get into the technology part of this momentarily. I do want to ask you a little bit though about what you're seeing now. There's the statistics in your report, but beyond that, in the work you're doing with clients today, what are some of the more novel approaches to program design that you're beginning to see, that are pushing the envelope here around loyalty management? (30:38)

ZK

Let me tell you two examples. First is the example of Paul Smith<sup>3</sup>. British luxury menswear - you are totally an ideal customer for them. I don't know if you own anything Paul Smith or, not yet?

SS

Not yet.

ZK

Not yet. So they sell luxury menswear. And they have a loyalty program running on Antavo. And they wanted to connect their online and their physical stores. They have the online store and they have 80 stores in 20 countries globally. And they also wanted to make it special because if you don't know Paul Smith, you can look him up. He is a collector. He's this quirky personality, very playful. The whole brand is very playful. And what I really like about them is that this playfulness translates well into the loyalty program. Their whole program is about stamp collection. And Paul is a collector. So this is like a nod to Paul that, okay, now you too can collect stamps in the loyalty program. And the other is this playfulness that appears in the program too. Like in one of their stores, there is this hallway where we're passing through and that is like tiled with dominoes, with these pieces of domino tiles. But one of the tiles is not a domino, but it's a QR code. And when you scan it, you unlock one of the rewards. So what a beautiful practice this is - the brand's DNA, which is about this fun approach, this playfulness. The founder's personality was able to be, was translated into the loyalty program. And I think it's a beautifully done thing.

SS

It's a form of gamification, really.

ZK

It is.

SS

Any other ideas that you come, you've come across to say, wow, that's a, that's novel, that's innovative?

ZK

Well, sometimes, what is novel and innovative is the most simple thing. And this is what I like in flying. In the case of Flying Tiger<sup>4</sup>. Flying Tiger, for those people who are not familiar with Flying Tiger, they're quite big in Europe. They have a couple of stores in North America too. But they are basically these knickknacks, those things for the household, from toys to household supplies. Basically something like Ikea, but without the furniture. This is what Flying Tiger is. And they relaunched their loyalty program with Antavo. And the most beautiful thing in it was that it is very simple, but it is very well embedded into their customer experience.

Their customer experience in their stores is like this one directional. When there is like, a path that you need to follow in the store till you get to the self checkout. And

they made a conscious effort in the past years that their checkouts should be self-checkout, assisted by only a couple of people. And their big challenge was how to make the loyalty program personal enough and simple enough that would fit this self checkout flow and still provide value, and their solution was that they connected the loyalty program with their POS system.

So after I scanned my card and I identify myself, the POS changes and I see on screen what are the rewards available for me? I see my own space in that great store in central London for example. That's my real estate just right there. And I'm able to use these. So simplicity here, draw, nice, value. And that was the strength of it. And as a result today, 60% of their purchases are coming from members and members' basket size is actually 60% higher than non-members. And they are very happy with that. (35.01)

SS

I imagine, yeah. I want to just shift this a little bit. And because you have a footprint across many different countries and cultures I might add, do you see distinct differences across cultures and countries in terms of consumers' attitudes to, toward loyalty? Are there, I'm going to express this inadequately, but are there countries that just seem to be more intrinsically loyal than others? What's your impression looking across your wide client base and the different countries you operate in terms of how they're different in their approach to loyalty?

ZK

There are some differences that we observed. For example, in the United Arab Emirates, most people prefer mobile apps. Demographic there is usually quite young and I think that represents that. Or interestingly in Australia and the UK, people are quite sticking with plastic cards. And there are some demographics where plastic cards is the solution as an identifier. And there are those industry segments which where it should be the go to and marketers shouldn't rebel against that but just meet the customers where they are like in groceries or even in luxury fashion. So yes there are these differences. But if I just have a look at our own global customer loyalty report, we have these regional loyalty statistics from consumers. And there you can find some interesting thoughts on what are the proper channels for them or what makes customers join a loyalty program or what is that they find the most disappointing.

So for example, to tell you like, an example from this big report table, it's finances first for people in the UK that makes them join a loyalty program. It's in the Middle East, in Qatar. For them that's the least important because they are up for all things that are free and that is for them personally. So there are these nuances that you can read from the data.

SS

So I want to move on to more the technology side. One of the things I want to ask you, and this goes back to organizational design, who's in charge of the platform? And we all know, you know, Martech is evolving at a very fast pace. It's very fragmented. Stacks have grown over the years. They call them Frankenstacks. Integration is always a challenge. Who when you're working with a client has point on the management of the technology. Is that a marketing ops group these days? Is it the program managers themselves? Is it IT, is it some combination of the above? What are you seeing there in terms of managing the actual technology?

ZK

It's a great question. And you can divide who is in charge into two depending on where we are in the process. One is the implementation. Implementation usually sits with IT, but when it's running the loyalty program it sits more where the strategy is, which is closer to marketing. There is this special breed of people who are both technical and business savvy. And these are the product owners. A product owner would be a more technical person than a marketing ops person, though marketing ops is like, technical too, but strategically technical is the product owner. And by product they think of the loyalty platform and the loyalty offering of over of their overall offering as a product. This is why they call these people as product owners.

I really like those kinds of people. They are very smart usually. They have this understanding of the technology and they have this understanding of business. So even if you're considering being a product owner as a career choice, I really, really encourage you. It has I think a nice future also in the age of AI. If there would be one hero of the past couple of years that I think should be named, I think that is the CTO who is realizing that they need to enable teams so they can make themselves obsolete for these teams. This is what the good CTO behaviour is, giving them the tools. So the teams in marketing are not

running to the IT team with all kinds of nuances, but they have their technology to use where the need is in their team. (40.10)

SS

Who owns the budget though?

ZK

Usually it's the marketing who owns the budget for running a loyalty program. And in terms of implementing it, oftentimes IT has a budget for implementing it. It makes technology sales, well, I think all kinds of sales is like usually a challenge. But one of the nuances of our world is that it's always a combination of budgets and multiple people working together. And ongoing costs are marketing costs. And implementation costs are oftentimes IT costs. This is why we oftentimes also split our own cost structure when we are onboarding a new customer.

SS

Has it become easier over the years to implement and operationalize your platform?

ZK

Oh, very much. If you think of like, building anything, practice takes time. And by time all things evolve. And from Antavo implementing all the loyalty programs in the past, now we evolved into being able to certify any kind of agency who would like to make money on implementing Antavo, who would like to provide this service to their own customers. So now there is this growing number of Antavo certified agencies all over the world, which I'm very proud of.

If you think of just this report that we published, there were agencies who sponsored it like Digitas in North America, EPAM's Empathy Lab, who is actually launching in North America these days, but they're from Europe, Data Lab, which is a CRM and um, loyalty agency based in Germany or Stratalix from Canada. So they are all agencies who are providing this expert service to their customers and they are very happy for this because we can stick with what we know best and that is building technology.

SS

And I do want to get into that in a second and appreciating the fact that the implementation is easier. there are always obstacles. What are the biggest obstacles you're finding, or most common maybe is another way of phrasing this, in terms of implementation itself - is data, for example, data integration that is, a major issue for you, like what are the big problems you've got to solve on your way to getting a platform implemented and working properly.

ZK

The biggest hurdle that we saw is that oftentimes companies don't know what a big undertaking will be when they launch a new program. But I guess this is how it should be because they need just to want to get it done. And obstacles come as they are going into the process. Oftentimes people even don't understand each other within the organization because the birth of loyalty programs is getting more established and established, but it's still not as developed as the world of marketing automation.

Marketing automation is one decade, decade ahead of loyalty. So because it's not that institutionalized there are things that can be misunderstood or known differently and also there are these nuances by industry, by consumer group. So it's a lot of parties at point at stake and not only within the business, but there is maybe the agency, there is the technology company and sometimes there is an integrator. So it's many kinds of partners and many kinds of parties and oftentimes confusion about what should be done.

And exactly this need was that prompted us to build our first AI product, the Planner, which takes the translation between parties to technology. So if you can imagine if there is like an internal brief even, what we kind of understand about loyalty programs that we would like to launch, then a couple of recordings of calls, you can all feed this into our AI and it basically spits out a map that you further need to drill down and specify. And it will ask you the right questions about have you thought of this and that and that needs to be figured. And it doesn't stop till you figure things out. And it gives you basically the map to configure. This was such a big need that we built a product for this. It took us like, two years because we saw that it's such a big need.

SS

I can see that. And I think you've also incorporated AI, as you mentioned earlier in this conversation with your analytical tool. Explain to me how that works. (44:46)

ZK

And this gives basically the complete Antavo OS as Antavo operating system. Starting with planning the loyalty program, going on with actually running the loyalty program and then optimizing the loyalty program. That's the third step. That's the analytical question that you asked about. Because before analyzing the loyalty program was done in a way that companies exported data, put it into somewhere, try to get the answer, then put it

back in their act somehow so it feels a bit disconnected. And then we build a layer on the top of your existing data so you can inquire it in a non expert way. You don't need to be a data analyst but you just like, inquire the data with your simple words. How you would ask things from ChatGPT. This is how you're asking things from our own Timmy AI. We named our AI after one of our colleagues, one of my smartest colleagues called Timmy and then she's a business analyst at Antavo and then we named our own AI after her.

So this is how you can optimize and analyze loyalty programs. Because the over, the underlying need is that loyalty programs should change. They shouldn't be set it and forget it but they should be this living breathing thing that evolves over time and having quick feedback and being able to make relatively faster changes will overall increase the customer experience.

SS

In terms of going forward, how do you see AI assisting you in other way or assisting the user in other ways? Where do you see AI being incorporated going forward?

ZK

There are multiple usages, so many, it's a whole new world. AI equals the Internet, 20, 30 years ago. It's how the Internet is helping us sell. It's like such a huge question, right? And now today we know all the nuances. How AI helps loyalty is a similarly big question. But I do think that there are two sides to this. First of all, how AI is changing software as a service. And it's changing in a way that today you will not need to spend weeks with learning on Antavo or a software like Antavo if it's developed enough to be in the level where we are today now, because you can use it as a non-expert in that technology with your prompts, with your words, because of how ChatGPT started to work since 2022, the simple language interface. So that is one thing, how software service is operating no code, it is before no code, but it was, still some basic level of code. And today the code is a language. So this is one fundamental change. And the other is how consumers are getting answers, how consumers are searching. There is this new way of consumer behaviour. I do that too. Maybe you too, when you search through your Gemini or ChatGPT or whichever platform that you use and then you use it like you used to use Google. And businesses need to appear in these chat conversations and it's very soon and

even today with the great integration with Shopify, that these chat conversations also preference loyalty program membership. So when I search I will get results when, when at businesses I'm also a member and ChatGPT will know that my favourite is ChatGPT. That's my favourite personal favourite that I use every day.

SS

So, one other question on the technology front, and that is, it seems to me the lines are beginning to blur between some of the more conventional martech platforms that support campaigns and communications, et cetera and loyalty platforms. So you're in a category now. Do you see that changing where you become all in one marketing suite at this point? Particularly if you're the main data collection point, why wouldn't that be the case? Why wouldn't you have modules that go beyond simply loyalty management and support all of marketing's requirements, data driven marketing requirements. (49:32)

ZK

If you see how companies operate, there were a couple of mergers and acquisitions when bigger marketing automation companies acquired loyalty management and then now they are in one big suite. So there is one direction where people are going. And this is horizontal software. And this one piece of software is able to do all kinds of things. The value lies in being integrated. But there is this other school which is about vertical software. And Antavo is a vertical piece of software. We are experts in loyalty and only that and interestingly our best partners are marketing automation companies and some does have some functionality for loyalty, even some basic points engine. But they very clearly understand where they end and where we start. And for them it's a value if integrated partners use each other because their own stickiness of their product is better. This is how our best partners today are. Bloombridge, Braze, Insider [One], Klaviyo. Those companies who really understand that and they can be part of the same technology stack, the very modern technology stack of vertical software.

SS

Huh, Klaviyo would be an excellent partnership. Klaviyo is strong positioning in the CX space.

ZK

Exactly. They are a great partner. Like I think quarter of our customers are on Klaviyo.

SS

So we only have a couple of minutes remaining and I just want to ask you another loaded question. I apologize for

this in advance but you do this global loyalty report every year - five years from now - five years from now when you do this report, what's it going to tell you five years from now? How is the industry evolving in your eyes and what is likely to pop up in that report five years from now? Well think of a trend that's you're just beginning to get underway. Where does this play? Obviously AI is going to have a big, big influence here. It's hard to have a clear crystal ball on exactly where that's going. But just think about that and stretch that out five years.

ZK

Yeah, well, and the strongest thing that I can think of is yes, AI today, technologies connect through APIs, which is their way of talking to each other. Like our technology and Klaviyo's technology. We communicate through APIs. But in the future there will be, or it's not even the future, that's the present when an MCP<sup>5</sup> is the layer to communicate and it will be part of everyday knowledge. The likes of product owners will have even more significance because they will be the kinds of people who understand the business need, technical need and there will be a bigger gap in technologists. Because the middle layer will dissolve I think.

So it will be really hard to become a real good engineer. These days we are hiring seniors and staff engineers, not juniors or mid years. It will be much harder to become a great engineer. So overall organizations will change in a way that there will be deep tech understanding people, there will be product owners and there is the business side. In a way they will get a bit farther from each other in expertise but in another way they will get closer because now there is this new shared language, which is not a no code tool or any kind of software, but the tool of a naturally spoken language that AI let us have. Yeah, it's an interesting question. What is that you think if I can turn this around.

SS

I think what's very confirming, I'm a lifelong database, CRM guy, right? And I've watched it grow dramatically. And I think CX still has a lot of maturing to do, uh, in terms of organizations really embracing principles and concepts. So I think that seeding has occurred. Certainly on the technology front things are moving very quickly, but the realization at more senior levels of the organization and an appreciation for customer data and customer relationship management and CX I think is

just beginning to grow. I think companies are starting to understand its importance and that's what your report, I think really brings out. The fact that there's an 85% satisfaction rating with these programs and you couldn't have said that a number of years ago, is a real indicator. So pretty confident about the future of the business. In terms of customers themselves. Who knows? With agentic AI and the impact that's going to have on consumer behaviour? That's the one where the crystal ball is a bit, I think blurrier to say the least. But it'll be an interesting ride, whatever happens.

ZK

Exactly.

SS

And I just want to congratulate you again. A great report, wonderful company, and really great chatting with you today.

ZK

Well, thank you so much. Thank you very much for your smart questions. And if you think of agentic AI, this term was coined I think 14 months ago and now it's so...

SS

I will absolutely,

ZK

...every day, everyday knowledge, like who knows what will come in five years, it's hard to tell. Thank you so much for the great conversation.

That concludes my interview with Zsuzsa Kecsmar. As we learned, marketers may love their loyalty programs, but members are not quite as enamoured. The traditional “earn-and-burn” model has grown stale. The payoff in the form of meager rewards is hardly worth the time and effort. Better than nothing, customers figure, certainly easier than the old method of snipping coupons from household flyers, or pasting stamps in books, but pretty much the same “spend more, get more” deal as always. Which is why leading marketers are now trying to breathe new life into their programs by going beyond transactional rewards, beyond discounts, to deliver more rewarding experiences. The idea is to make members feel special, to treat them with appropriate respect, address them as individuals and enrich their lives in some way. But that takes a big shift in mindset – from thinking about how to make customers more loyal, to thinking about how to be more loyal to customers. Loyalty is not a program. It is a goal. To achieve it - to win greater loyalty – brands need to give customers a compelling reason to be part of their lives.

1. “Consumers Lean on a “Hamster Wheel” of Credit to Manage Rising Costs”, New York Times, May 10, 2026
2. “Kraft Heinz CEO Pushes Value: ‘Consumers Are Literally Running Out of Money’”, Wall Street Journal, May 06, 2026.
3. Paul Smith is a renowned British fashion designer. His flagship stores are famous for being eccentric. His Collectors Club rewards program involves members collecting stamps for exclusive perks and benefits.
4. Flying Tiger is a Danish variety retail chain with 1,000 stores worldwide and known for its affordable home decor, stationery, toys, and hobby products. Stores are designed with a winding path (a “maze”) that encourages discovery.
5. Model Context Protocol (MCP) is an open-source standard that enables AI models (LLMs) to serve as a universal connector so that AI agents can access data from databases, files, and APIs.



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