Advancing research on loyalty programs

Breugelmans, Els; Bijmolt, Tammo H. A.; Zhang, Jie; Basso, Leonardo J.; Dorotic, Matilda; Kopalle, Praveen; Minnema, Alec; Mijnlieff, Willem Jan; Wünderlich, Nancy V.

Published in:
Marketing Letters

DOI:
10.1007/s11002-014-9311-4

Mark Lett (2015) 26:127–139
DOI 10.1007/s11002-014-9311-4

Advancing research on loyalty programs: a future research agenda

Els Breugelmans · Tammo H. A. Bijmolt · Jie Zhang · Leonardo J. Basso · Matilda Dorotic · Praveen Kopalle · Alec Minnema · Willem Jan Mijnlieff · Nancy V. Wünderlich

Published online: 18 June 2014

Abstract Despite the growing literature on loyalty program (LP) research, many questions remain underexplored. Driven by advancements in information technology, marketing analytics, and consumer interface platforms (e.g., mobile devices), there have been many recent developments in LP practices around

This article is based on discussions in the workshop with the same title at the 9th Triennial Choice Symposium, co-chaired by Els Breugelmans, Tammo Bijmolt, and Jie Zhang.

E. Breugelmans (✉)
Faculty of Economics and Business, KU Leuven, Korte Nieuwstraat 33, 2000 Antwerp, Belgium
e-mail: els.breugelmans@kuleuven.be

T. H. A. Bijmolt · A. Minnema
Faculty of Economics and Business, University of Groningen, Groningen, The Netherlands

T. H. A. Bijmolt
e-mail: t.h.a.bijmolt@rug.nl

A. Minnema
e-mail: a.minnema@rug.nl

J. Zhang
Robert H. Smith School of Business, University of Maryland, College Park, MD, USA
e-mail: jiejie@rhsmith.umd.edu

L. J. Basso
Civil Engineering Department, Universidad de Chile, Santiago, Chile
e-mail: lbasso@ing.uchile.cl

M. Dorotic
BI Norwegian Business School, Oslo, Norway
e-mail: Matilda.Dorotic@bi.no

P. Kopalle
Tuck School of Business at Dartmouth, Dartmouth College, Hanover, NH, USA
e-mail: Praveen.kopalle@dartmouth.edu

the world. They impose new challenges and create exciting opportunities for future LP research. The main objective of this paper is to identify missing links in the literature and to craft a future research agenda to advance LP research and practice. Our discussion focuses on three key areas: (1) LP designs, (2) Assessment of LP performance, and (3) Emerging trends and the impact of new technologies. We highlight several gaps in the literature and outline research opportunities in each area.

Keywords Loyalty programs · Loyalty program design · Loyalty program performance assessment · Emerging trends · Partnership loyalty programs · Customer relationship management

1 Introduction

Loyalty programs (LPs) are prevalent across a wide range of industries and have enjoyed an increase in membership participation (Berry 2013). LPs offer benefits for consumers who can receive rewards and/or reach a higher tier as well as for firms that can potentially gain more repeat businesses and, at the same time, gather detailed consumer insights that allow them to deliver targeted marketing activities (Ailawadi et al. 2010; Liu 2007). Hence, an LP allows a firm to monitor and influence consumer choices. Excellent reviews of the LP literature are provided by Bijmolt et al. (2011), Liu and Yang (2009), and McCall and Voorhees (2010). Rather than replicating these reviews, the objective of this paper is to identify missing links in the literature and craft a research agenda to advance LP research and practice. Driven by advancements in information technology, marketing analytics, and consumer interface platforms (e.g., mobile devices), there have been many recent developments in LP practices that impose new challenges and create exciting opportunities. Based on these observations, we have identified three key areas for future LP research: (1) LP designs, (2) assessment of LP performance, and (3) emerging trends and the impact of new technologies. We organize the rest of the paper by these areas and conclude with a summary.

2 LP designs

We first discuss the missing links and future research opportunities for five key design components that were identified based on prior research (Bijmolt et al. 2011; Liu and Yang 2009): (1) membership requirements, (2) program structure, (3) point structure, (4) reward structure, and (5) program communication. These

W. J. Mijnlieff
Loyalty Lab B.V., Amsterdam, The Netherlands
e-mail: Willemjan.mijnlieff@loyaltylab.nl

N. V. Wünderlich
University of Paderborn, Paderborn, Germany
e-mail: Nancy.Wuenderlich@wiwi.uni-paderborn.de

five components are relevant to all types of LPs, including partnership LPs. Next, we focus on unique design challenges facing partnership LPs, followed by issues related to changes in LP designs.

2.1 General LP design components

Among the five LP design components, *reward structure* has been studied extensively in the literature. Prior research has investigated the reward form (monetary vs. non-monetary), the aspirational value (luxury vs. necessity), the brand-reward compatibility (related vs. unrelated), and the reward timing (immediate vs. delayed), among other topics (see reviews by Bijmolt et al. 2011; Liu and Yang 2009; McCall and Voorhees 2010). The other four design components, in contrast, have more missing links and thus present greater opportunities for future research.

Membership requirements affect the convenience, effort, and costs associated with joining an LP (Liu and Yang 2009). The decisions on specific membership requirements involve the trade-offs between attracting a broader customer base by lowering the participation costs and enhancing customer convenience vs. increasing the quality/profitability of the customer base by being more selective. The following are important issues that are not well understood yet and where empirical research is needed: (a) Should firms offer voluntary or automatic enrollment? While voluntary enrollment enhances the attractiveness of acquired LP members because members join on their own initiative (Dholakia 2006; Steffes et al. 2008), automatic enrollment increases the convenience and can bring awareness of an LP and its benefits to customers who may not otherwise be interested; (b) should an LP charge a fee to join or offer it for free, and what fee structure, if any, maximizes profit?; and (c) should an LP allow everybody to join or should it be eligible for a selective group of customers? Prior research suggests that, while heavy buyers may prefer an exclusive LP, the program may have limited ability to generate incremental sales/profit from them due to a ceiling effect (Lal and Bell 2003; Liu 2007).

There are two predominant *program structures*: frequency reward programs (FRPs) which take on the form of "buy X amount/collect X points, get a reward," and customer tier programs (CTPs) which take on the form of "buy X amount/collect X points, qualify for a tier" (Kopalle et al. 2012). Industry practice suggests that the choice of LP structure may heavily depend on the industry: FRPs are more common for businesses that encourage frequent purchases and are transaction-focused (e.g., grocery stores), while CTPs are more common for high commitment, higher price point, and relationship-focused businesses (e.g., airlines, hotels, and insurance companies). Nonetheless, there has been only limited research on the effectiveness of the different program structures (with the exception of Kopalle et al. 2012), and more research is needed to investigate the effectiveness of and conditions under which the different LP structures (FRP, CTP, or both) are more desirable. Moreover, the literature is scarce on several unique aspects regarding CTPs: whether and when to upgrade or downgrade an LP member, how to mitigate potential negative consequences of downgrading, and how to stimulate LP members to reach a higher tier.

Most prior research on *point structure* has been conducted in the context of FRPs (exceptions are Drèze and Nunes 2009; Kopalle et al. 2012). The following important issues concerning point structure, especially in the context of CTPs, deserve further investigation. (a) What is the optimal number of tiers? Drèze and Nunes (2009) show that three-tier programs develop higher satisfaction than two-tier programs do. Offering more tiers creates more exchange opportunities and can encourage customers to spend more, yet more tiers also imply more downgrading potentials and could generate resentment by more customers. Practitioners are in need for analytical frameworks that help them determine the optimal level of the number of tiers. (b) How to determine the point issuance ratio, i.e., the number of points earned for a given spending amount, mileage, or number of transactions, relative to rewards? Bagchi and Li (2011) show that consumers use the two pieces of information—threshold and point issuance ratio—differently depending on the ambiguity of the issuance ratio. More research is needed on how consumers use different point structure factors in their mental accounting and how this influences purchase behavior. (c) How to set the time horizon for eligible rewards? Firms often issue point expiration dates due to concerns about financial liabilities; however, this may revolt customers. The length of expiration time and implementation strategy (e.g., a fixed time vs. rolling times) can have significant effects on LP performance, yet little research has been devoted to this topic (see Breugelmans and Liu 2013 for an exception). (d) Should an LP allow customers to earn points based on total store spending, spending in specific categories, spending on specific items, or a combination of them? While most LPs issue points based on total spending, other options have been tested and marketing researchers have only begun to examine these different designs (e.g., Drèze and Hoch 1998; Zhang and Breugelmans 2012). More research is needed on how the different point earning structures may affect purchase behavior. In addition, these new structures may benefit from a synergy effect between a firm's LP and other marketing instruments such as sales promotions and result in win-win collaborations between retailers and manufacturers (Minnema et al. 2014).

Prior research on *program communication* suggests that communications via social media can be critical for LP customer acquisition (Xie and Chen 2013). Wiebenga and Fennis (2014) find that subtle changes in the way the progress in an LP is communicated could influence consumers' behavior. There are still many important questions that need to be answered: (a) Should the communication of accumulated points and/or tier status be delivered automatically or should it be self-initiated by LP members?; (b) How do different communication frames influence consumer behavior and LP performance?; and (c) Which (combination of) communication vehicle(s) is most appropriate and what is the payoff of adopting multichannel communication strategies (such as via in-store, online, and mobile devices)?

2.2 Partnership LPs and their unique design challenges

A partnership LP refers to an LP where multiple firms jointly participate in one program and members can earn and/or redeem rewards from participating firms. The claimed benefits for firms to join a partnership LP include lower costs, attracting a broader customer base, higher customer participation rates, and potential crossover effects across partners (Dorotic et al. 2011). With the increasing attractiveness of networking for firms, there is a need for in-depth academic research. We identify four key design challenges facing partnership LPs.

First, there are two major *types of partnership LPs*. The first type consists of a dominant firm's LP with complementary partners, for example, an airline's LP with hotels and rental car partners (e.g., Lufthansa's Miles & More program). Typically, the dominant firm itself manages the LP while brand communication and advertising to LP members centers around the offerings of the dominant firm, augmented with offerings of partners. The second type involves equal-level partnership in an LP coalition operated by a firm specializing in LP management (e.g., AirMiles, Payback, Nectar, FlyBuys). Marketing campaigns and communication to LP members often comprise joint promotions featuring various point issuing and redemption options across partners. Little research has compared the performance of these two types of partnership LPs, their influence on member purchase behavior, and the benefits and limitations for the partners.

Second, *partnership portfolio* refers to the composition of partners in a partnership LP. A partnership LP may consist of a couple to a few hundred participating firms. Strategic alliance literature indicates that the perceived value of a partnership is based on a customer's cumulative assessment of added value from each partner (Bourdeau et al. 2007). Prior research shows that a partnership LP could enhance the appeal and satisfaction in the LP (Lemon and Wangenheim 2009), but members differentiate between an individual partner and the program itself (Evanschitzky et al. 2012). Members, who experience negative incidents at one partner, may transfer their negative evaluation to other partners in the partnership LP (Schumann et al. 2014). Yet, little is known about optimal portfolio management strategies. The following research questions are particularly worth pursuing: (a) How to effectively measure the brand value of individual partners in a partnership LP?; (b) What types of partners are considered to fit in a portfolio and what are the moderating factors?; (c) How does the entry or exit of a partner affect the attractiveness and performance of the partnership LP and its partners?; and (d) How to determine the optimal portfolio size?

Third, there is a lack of understanding on whether the *program design* should be *consistent across partners*. While the same program design among all partners improves transparency and coherence, a different design across partners may lower consumers' perceived fairness and consistency of social recognition (especially if some partners give away a reward/status for free or make it easier to reach a reward and/or maintain a status).

Fourth, the *cost and reward structure* is particularly important for partnership LPs. When customers can earn points and redeem rewards at different participating firms, crossover effects may occur, yet the evidence for the existence of such effects is mixed (Dorotic et al. 2011; Lemon and Wangenheim 2009; Schumann et al. 2014). Moreover, customers could collect points at certain partners and redeem them at others, leading to the question of who tends to bear the costs of rewarding. These issues have direct implications for the performance and profitability of individual partners and the partnership LP as a whole. The following research issues warrant further examination: (1) the characteristics of partners that tend to bear the costs of rewards in a partnership LP, (2) the link between consumers' purchase/point-earning decisions and reward redemption decisions, (3) the impact of redemption on the partnership LP and its partners, (4) the crossover effects of marketing actions at individual partners, and (5) the mechanisms that can properly compensate partners who create additional profits for the partnership but bear a disproportionally large share of reward costs.

2.3 Changes in LP designs

Prior LP studies often assume that companies build an LP from scratch. Given the prevalence of LPs nowadays, many companies already have an LP and are contemplating on ways to improve the design of their current programs. There has been only limited empirical research examining the consequences of implementing LP design changes on consumer purchase behavior and firm outcomes. Dorotic et al. (2011) found that a one-time policy change (devaluation of points-to-money ratio) did not substantially affect members' subsequent behavior. Zhang and Breugelmans (2012) investigate the impact of switching from a conventional LP to one where price discounts were replaced by reward points and find substantial changes in purchase tendency, promotion sensitivities, customer acquisition and retention, and total sales revenues. Breugelmans and Liu (2013) examine the impact of a finite vs. a no-expiration policy and find that the expiration policy makes consumers more sensitive toward the number of points they are away from reaching the threshold (strengthening the point pressure effect). These studies pave the way for a much-needed pursuit, and we encourage more research on the impact of implementing LP design changes.

3 Assessment of LP performance

We begin by investigating the trade-off and integration of multiple metrics to assess LP performance (Marketingsherpa.com 2008). Then, we focus on firms' and consumers' strategic behavior that LP practitioners have to take into account when managing an LP. These are important contextual factors that have recently spawned research in marketing, economics, and transportation, among other disciplines. Finally, we address some methodological challenges related to LP performance assessment.

3.1 Different LP performance measures

Previous research has identified many LP performance measures, including LP enrollment (Leenheer et al. 2007), customer retention (Verhoef 2003), individual purchase behavior (Kopalle et al. 2012; van Heerde and Bijmolt 2005; Zhang and Breugelmans 2012), reward redemption (Lal and Bell 2003), customer traffic (Drèze and Hoch 1998), customer expenditures (Drèze and Hoch 1998; Lal and Bell 2003; Leenheer et al. 2007), and attitudinal measures (Bolton et al. 2000; Drèze and Nunes 2009). Furthermore, prior literature suggests that behavioral loyalty relates more to short-term purchase patterns, while attitudinal loyalty reflects commitment, favorable attitudes, and true affect in the long run (Bijmolt et al. 2011). Most prior research focused on short-term LP effects (e.g., Drèze and Hoch 1998; Lal and Bell 2003; Zhang and Breugelmans 2012), leaving long-term LP effects largely unexplored (exceptions are Bolton et al. 2000; Liu 2007; van Heerde and Bijmolt 2005; Kopalle et al. 2012). Finally, because underuse of LPs by consumers has a detrimental effect on firm performance, practitioners have raised alarms regarding the low levels of LP membership participation (Berry

2013) and have called for academic insights on measuring membership participation.

Therefore, we identify the following key research issues: (a) development of a dashboard approach (Pauwels et al. 2009) that identifies key performance metrics that are appropriate in assessing LP performance and the inter-relationships among different metrics; (b) investigation of long-term LP effects, based on longitudinal data; (c) examining the interplay between short- and long-term LP performance measures to explore, for instance, whether and under what conditions short-term behavioral loyalty fosters or dampens long-term attitudinal loyalty; (d) assessment of how LP performance measures differ between LP structures (FRPs vs. CTPs); and (e) identification of metrics that measure consumers' LP participation and investigation of their relation to other LP performance metrics.

3.2 Effects of strategic behavior

Firms are likely to *behave strategically*, they decide on LP adoption, design, and market entry, taking into account competitors' and consumers' reactions. For example, Borenstein (1996) shows how an airline could use its dominance in a particular hub airport together with its frequent flyer program (FFP) to deter entry by more efficient competitors. Basso et al. (2009) show how an airline can use its LP to take advantage of the agency relationship (moral hazard) situation created by business travel, where the party who books the ticket and collects the LP benefits is not the one paying; LP benefits can function as bribes to induce selection of higher fares. Importantly, they also show that, while a single airline offering an LP may benefit accordingly, competing LPs can result in lower profits for airlines even when ticket prices rise because the rewards choice—the LP design—is too costly in a prisoner's dilemma-type equilibrium. Future research could, namely, (a) investigate under what conditions the agency relationship can be exploited by firms through an LP and empirically test its impact, (b) investigate how competitive pressure affects firm's decisions about LP design and its profitability, and (c) examine whether LPs facilitate tacit collusion by making it harder to steal business from the rival (Kim et al. 2001; Fong and Liu 2011).

Like firms, *consumers* may *behave strategically* by exhibiting forward-looking behavior because LPs require a multiperiod decision process. There have been few studies that incorporate strategic consumer behavior in models of LP performance assessment, namely, Lewis (2004) and Kopalle et al. (2012). While these papers illustrate the importance of accounting for forward-looking behavior, they focus on behavioral measures and single-vendor LPs and thus present the following research opportunities: (a) examine the extent to which LPs would enhance non-behavioral measures (like attitudinal loyalty) when customers are forward looking and (b) explicitly account for strategic behavior within partnership LPs where consumers may collect points at more affordable partners and redeem them at more expensive partners.

3.3 Methodological challenges

Research assessing LPs faces several methodological challenges. First, LP effects may depend on the LP design. Most prior research on LP designs was conducted in experimental settings, where usually one focal construct is tested. Future research can significantly benefit from using empirical data from real-world LPs to examine the interaction effects among multiple LP design elements. Second, both firms and consumers do not make decisions at random (see Section 3.2), and the observed LPs developed by firms and LP membership of consumers are the outcomes of these decisions. The endogeneity issue needs to be carefully accounted for when evaluating LPs. Finally, within partnership LPs, it is important to understand the crossover effects among participating firms (see Section 2.2). Yet, the very nature of multiple partners imposes significant methodological challenges when examining crossover effects, including more demanding requirements on data, high-dimensional computations across numerous partners, and complex strategic interactions among partners and between partners and customers.

4 Emerging trends and the impact of new technologies

There have been some very exciting developments in the LP practice in recent years, driven by advancements in information technology, marketing analytics, and consumer interface platforms. The following are particularly important trends and developments that will shape the evolution of LP management in the future and offer further research opportunities for marketing academics.

1. Rising popularity of partnership LPs and the formation of mega-coalitions. U.S. Direct Marketing Association predicts partnership LPs as "the next big thing" (McBride and Sansbury 2009). Finaccord's survey (2011) reports that already over 14 % of the world's adult population participates in partnership LPs and their memberships grow by 12 % annually. Recent developments also reveal important future trends of a consolidation of single-vendor LPs (e.g., Delta Airlines and Starwood Hotel Group launched jointly the Crossover Rewards program) and the formation of mega-coalitions among different partnership LPs (e.g., the collaboration between Payback and Lufthansa's Miles & More program). These developments bring about important research questions: (a) Under what conditions is it more beneficial for a firm to enter a partnership LP instead of operating its own LP? A valuable research opportunity is to utilize data from companies that previously had a single-vendor LP and later joined a partnership LP, or vice versa. (b) How will the trend toward partnership LPs and mega-coalitions affect the competition in LP markets worldwide? and (c) How should single-vendor LPs respond to partnership LPs: should single-vendor LPs form partnerships among themselves or should they merge with existing partnership LPs?
2. The impact of Internet technology, mobile platforms, and social media. Gartner (2013) predicts that the mobile payment market will reach US$721 billion with 450 million users by 2017. Given that firms offering LPs are rapidly digitalizing, this presents opportunities for two-way communication with customers before and during purchase. Companies may introduce personalized in-store offers (based on LP data) through mobile devices to expand cross-purchases (e.g., Tesco) or point redemptions (e.g., Best Buy). Companies could also leverage LPs with social media and other marketing initiatives to boost customers' omni-channel

Table 1 Summary of proposed future research questions

LP Designs		LP performance assessment		Emerging trends and the impact of new technologies	
General LP design components		Different LP performance measures	Develop dashboard approach	Popularity partnership LPs and formation mega-coalitions	Partnership LP or single-vendor LP?
Membership requirements	Voluntary or automatic enrollment?				
	Fee or free?		Study long-term LP effects		Impact on LP competitive market?
	Selective or open to all?		Inter-relationship short- and long-term measures?		
Structure (FTP, CTP, or both)	When effective and desirable?				How should single-vendor LPs respond?
	Optimal CTP design?		Differences between LP structures		
Point structure	How to determine number of tiers?			Internet, mobile, and social media	Impact on LP competitive market?
	How to determine point issuance ratio?		Which LP participation metrics?		
	How to determine time horizon?				How take advantage of trend?
	How to determine point earning?	Strategic firm behavior	Conditions for agency relationship?		
Program communications	Automatic or self-initiated?			Emergence of powerful intermediaries	Impact on LP competitive market?
	Which communication frame?		Impact of competitive setting?		
	Which communication vehicle (mix)?				How take advantage of trend?
Unique partnership LP design components			Potential to facilitate tacit collusion?		
Type of partnership LPs	When effective and desirable?				

Table 1 (continued)

LP Designs		LP performance assessment		Emerging trends and the impact of new technologies
Partnership portfolio management	How to measure brand value of partners?	Strategic consumer behavior	Impact on non-behavioral measures when forward looking?	
	How to measure partner fit?		Impact on partnership LPs?	
	Impact of partner entry or exit?	Methodological challenges	Investigate interaction among LP design aspects	
	Optimal portfolio size?			
Consistency	Same or different LP design?		Incorporate endogeneity of firm and consumer decisions	
Cost and reward structure	Who tends to bear the costs?			
	Linkage earning and redemption?		Assess crossover effects in partnership LPs	
	Impact redemption and marketing actions on partners and partnership LP?			
	Optimal compensation mechanisms?			
Changes in LP designs				
LP design changes	Impact of changes in reward structure?			
	Impact of changes in redemption structure?			

engagement and increase the value of personalized communication. Research on how to leverage those synergies will have important managerial relevance.

3. Emergence of powerful intermediaries. Facilitated by the spread of mobile technology and the creation of mobile applications (such as Key Ring, LoyalBlocks, and Card Star), a group of information intermediaries emerged that aggregate information on LP memberships and compare LP offers and reward options across customer's memberships. While such intermediaries can enhance convenience for customers in managing multiple LP memberships, deliver customized promotions directly to mobile devices, and encourage LP participation (e.g., by providing real-time update of the inventory of collected points for customers), they also make it easier for a customer to compare offers across LPs which may heighten sales promotion sensitivities. Future research should investigate the impact of these intermediaries on LP competition and explore how an LP can take advantage of relationship-building opportunities these intermediaries entail.

5 Conclusions

LPs are gaining strategic importance in a wide range of industries and have attracted much attention by academic researchers. Advancements in technologies and business practices propel rapid new developments in the LP arena and present opportunities for fruitful future research. The main objective of this paper is to identify missing links in the literature and to craft a future research agenda to advance LP research and practice rather than to review the existing literature (for this, we refer the reader to reviews by Bijmolt et al. 2011; Liu and Yang 2009; McCall and Voorhees 2010). Table 1 summarizes the future research questions we identified in three key areas: (1) LP designs, (2) assessment of LP performance, and (3) emerging trends and the impact of new technologies. We hope that the missing links and research opportunities discussed in this paper will stimulate fruitful and exciting future research and advance the understanding and practice of LPs.

Acknowledgments The authors wish to thank the 2013 Choice Symposium organizers Benedict Dellaert and Bas Donkers and two anonymous reviewers for their valuable input. Leonardo J. Basso acknowledges partial funding from grants Conicyt FB0816 and Milenio P-05-004-F.

References

Ailawadi, K. L., Bradlow, E. T., Draganska, M., Nijs, V., Rooderkerk, R. P., Sudhir, K., et al. (2010). Empirical models of manufacturer-retailer interaction: a review and agenda for future research. *Marketing Letters, 21*(3), 273–285.

Bagchi, R., & Li, X. (2011). Illusionary progress in loyalty programs: magnitudes, reward distances, and step-size ambiguity. *Journal of Consumer Research, 37*(5), 888–901.

Basso, L. J., Clements, M., & Ross, T. (2009). Moral hazard and customer loyalty programs. *American Economic Journal: Microeconomics, 1*(1), 101–123.

Berry, J. (2013). “Bulking up: the 2013 colloquy loyalty census,” *COLLOQUYtalk* (June 2013).
Bijmolt, T. H. A., Dorotic, M., & Verhoef, P. C. (2011). Loyalty programs: generalizations on their adoption, effectiveness and design. *Foundations and Trends® in Marketing, 5*(4), 197–258.
Bolton, R. N., Kannan, P. K., & Bramlett, M. D. (2000). Implications of loyalty program membership and service experiences for customer retention and value. *Journal of the Academy of Marketing Science, 28*(1), 95–108.
Borenstein, S. (1996). Repeat-buyer programs in network industries. In W. Sichel (Ed.), *Networks, Infrastructure and the New Task for Regulation* (pp. 137–162). Ann Arbor: University of Michigan Press.
Bourdeau, B. L., Cronin, J. J., & Voorhees, C. M. (2007). Modeling service alliances: an exploratory investigation of spillover effects in service partnerships. *Strategic Management Journal, 28*(6), 609–622.
Breugelmans, E. and Y. Liu (2013). “The effects of a loyalty program expiration policy on consumer behavior, ” *Working paper*, KU Leuven.
Dholakia, U. M. (2006). How customer self-determination influences relational marketing outcomes: evidence from longitudinal field studies. *Journal of Marketing Research, 43*(1), 109–120.
Dorotic, M., Fok, D., Verhoef, P. C., & Bijmolt, T. H. A. (2011). Do vendors benefit from promotions in a multi-vendor loyalty program? *Marketing Letters, 22*(4), 341–356.
Drèze, X., & Hoch, S. J. (1998). Exploiting the installed base using cross-merchandising and category destination programs. *International Journal of Research in Marketing, 15*(5), 459–471.
Drèze, X., & Nunes, J. C. (2009). Feeling superior: the impact of loyalty program structure on consumers’ perceptions of status. *Journal of Consumer Research, 35*(6), 890–905.
Evanschitzky, H., Ramaseshan, B., Woisetschlager, D. M., Richelsen, V., Blut, M., & Backhaus, C. (2012). Consequences of customer loyalty to the loyalty program and to the company. *Journal of the Academy of Marketing Science, 40*(5), 625–638.
Finaccord (2011). “Global coalition loyalty programs,” available from http://www.finaccord.com/documents/rp_2011/report_prospectus_global_coalition_loyalty_programs_affinity_marketing_opportunities.pdf, accessed 08/01/2013.
Fong, Y., & Liu, Q. (2011). Loyalty rewards facilitate tacit collusion. *Journal of Economics and Management Strategy, 20*(3), 739–775.
Gartner, Inc. (2013). “Forecast: mobile payment, worldwide, 2013 update”, available from http://www.gartner.com/resId=2484915, accessed 03/06/2014.
Kim, B., Shi, M., & Srinivasan, K. (2001). Reward programs and tacit collusion. *Marketing Science, 20*(2), 99–120.
Kopalle, P. K., Neslin, S. A., Sun, B., Sun, Y., & Swaminathan, V. (2012). The joint sales impact of frequency reward and customer tier components of loyalty programs. *Marketing Science, 31*(2), 216–235.
Lal, R., & Bell, D. E. (2003). The impact of frequent shopper programs in grocery retailing. *Quantitative Marketing and Economics, 1*(2), 179–202.
Leenheer, J., van Heerde, H. J., Bijmolt, T. H. A., & Smidts, A. (2007). Do loyalty programs really enhance behavioral loyalty? An empirical analysis accounting for self-selecting members. *International Journal of Research in Marketing, 24*(1), 31–47.
Lemon, K. N., & Wangenheim, F. (2009). The reinforcing effects of loyalty program partnerships and core service usage: a longitudinal analysis. *Journal of Service Research, 11*(5), 357–370.
Lewis, M. (2004). The influence of loyalty programs and short-term promotions on customer retention. *Journal of Marketing Research, 41*(3), 281–292.
Liu, Y. (2007). The long-term impact of loyalty programs on consumer purchase behavior and loyalty. *Journal of Marketing, 71*(4), 19–35.
Liu, Y., & Yang, R. (2009). Competing loyalty programs: impact of market saturation, market share, and category expandability. *Journal of Marketing, 73*(1), 93–108.
Marketingsherpa.com (2008). “How to assess your loyalty program—6 steps,” available from http://www.marketingsherpa.com/article/how-to/how-to-assess-your-loyalty, accessed 4/15/2013.
McBride, J. and T. Sansbury (2009). “U.S. market destined to be next coalition loyalty battleground,” available from: http://www.colloquy.com/files/pr111809.pdf, accessed 08/01/2013.
McCall, M., & Voorhees, C. M. (2010). The Drivers of loyalty program success: an organizing framework and research agenda. *Cornell Hospitality Quarterly, 51*(1), 35–52.
Minnema, A., T.H.A. Bijmolt, and M.C. Non (2014). “The impact of supplier-funded premiums in frequency reward programs.” *Working Paper,* University of Groningen.
Pauwels, K., Ambler, T., Clark, B. H., LaPointe, P., Reibstein, D., Skiera, B., et al. (2009). Dashboards as a service. why, what, how, and what research is needed? *Journal of Service Research, 12*(2), 175–189.

Schumann, J. H., Wünderlich, N. V., & Evanschitzky, H. (2014). Spillover effects of service failures in coalition loyalty programs: the buffering effect of special treatment benefits. *Journal of Retailing, 90*(1), 111–118.

Steffes, M., Murthi, E., Rao, B. P. S., & Ram, C. (2008). Acquisition, affinity and rewards: do they stay or do they go? *Journal of Financial Services Marketing, 13*(3), 221–233.

van Heerde, H. J., & Bijmolt, T. H. A. (2005). Decomposing the promotional revenue bump for loyalty program members versus non-members. *Journal of Marketing Research, 42*(4), 443–457.

Verhoef, P. C. (2003). Understanding the effect of customer relationship management efforts on customer retention and customer share development. *Journal of Marketing, 67*(4), 30–45.

Wiebenga, J. H., & Fennis, B. M. (2014). The road traveled, the road ahead, or simply on the road? When progress framing affects motivation in goal pursuit. *Journal of Consumer Psychology, 24*(1), 49–62.

Xie, K. L., & Chen, C. (2013). Progress in loyalty program research: facts, debates, and future research. *Journal of Hospitality Marketing and Management, 22*(5), 463–489.

Zhang, J., & Breugelmans, E. (2012). The Impact of an item-based loyalty program on consumer purchase behavior. *Journal of Marketing Research, 49*(1), 50–65.