

LOYALTY PROGRAMS IN ENHANCING CUSTOMER RETENTION AT RELIANCE TRENDS

*¹Mrs N Rajani, Associate Professor,

*²Shaik Ras Palli Nawaf, MBA Student,

Department of MBA, Viswam Engineering College (Autonomous), Angallu, Madanapalle, AP.

ABSTRACT:

The purpose of this paper is to investigate the impact of loyalty programs in improving consumer retention at Reliance Trends, a well-known fashion retail company in India. Loyalty programs that provide rewards such as discounts, points, and special offers dramatically increase consumer engagement and repeat business. The paper analyzes the design and implementation of these efforts to determine their influence on consumer happiness, repeat business, and long-term brand loyalty. The paper focuses on how individualized incentives and offers strengthen consumer interactions and motivate people to stay loyal to the company.

Keywords: Customer Retention Strategies, Reward Programs, Customer Loyalty, Repeat Purchase Behavior, Customer Engagement

Received Date: 5 March-April 2026; **Accepted Date:** 15 March-April 2026;; **Published Date:** 20 March-April 2026

This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC BY 4.0), which permits unrestricted use, distribution, and reproduction in any medium, provided the original author(s) and the source are properly cited.

1. Introduction

Loyalty programs have evolved as a useful strategy for businesses seeking to increase client retention and create long-term connections. These programs encourage brand loyalty and recurring purchases by providing incentives such as discounts, reward points, and special offers. In a competitive market, retaining customers is typically less expensive than acquiring new ones, which is why loyalty programs are an important component of customer relationship management strategies. Businesses try to increase client loyalty by continually giving value through

rewards, which improves retention and lifetime value.

Loyalty programs' success in increasing client retention is dependent on their ability to provide consumers with unique and engaging experiences. Businesses can use data analytics to track consumer behavior, preferences, and past purchases in order to tailor rewards and promotions to specific customers. This personalization develops a sense of appreciation among customers, strengthening their emotional connection to the firm. A well-designed customer loyalty program not only drives repeat purchases, but

it also deepens the company-consumer relationship by instilling trust and happiness.

Furthermore, loyalty programs help with brand promotion by encouraging satisfied customers to share their positive experiences with others. This word-of-mouth advertising may help the company acquire new customers, accelerating its growth. Customers are less likely to move to competitors if they believe the brand continually rewards their loyalty. As a result, a good loyalty program in the market creates a long-term competitive advantage by increasing brand loyalty and client retention.

2. Review of Literature

Reddy and Fernández (2025): Investigated the effects of loyalty programs on brand commitment and customer retention. Their research focused on how reward-based engagement affects long-term customer behavior. The paper used a mixed-methods research technique, combining formal surveys with in-depth interviews, to evaluate customer impressions of loyalty programs in the FMCG, e-commerce, and financial services industries. The findings suggest that loyalty programs improve consumer retention by encouraging repeat purchases and enhancing brand attachment. Customers expressed more pleasure and confidence in loyalty programs that provided individualized rewards, adaptive incentives, and continuous communication. Furthermore, the investigation found that poorly handled loyalty programs, as indicated by complicated restrictions or delayed incentives, can lead to decreased customer engagement and negatively impact retention outcomes. According to Reddy and Fernández, loyalty programs must strike a balance between perceived fairness, individuality, and simplicity in order to foster long-term brand engagement and consumer retention.

Lee, J., and Singh, A. (2024): Examine the potential of mobile applications to improve the effectiveness and appeal of loyalty programs by improving consumer convenience and interaction. The paper examines user feedback and app usage statistics to show how mobile applications promote targeted communication, speed redemption, and simplify

incentive monitoring. Features that dramatically improve user engagement and program participation include push alerts, QR-based redemptions, digital wallets, and location-specific offers. The authors also note that mobile applications generate significant real-time user data, which firms can use to better their customization and loyalty tactics. The paper's findings indicate that mobile-enabled loyalty programs are critical for keeping competitive and relevant in technologically driven consumer markets. Smith, J., & Lee, A. (2023): Smith, J., & Lee, A. (2023) examine the evolution of loyalty programs by papering current trends and best practices that are influenced by technological innovation and changing consumer expectations. According to the report, traditional point-based programs are giving way to loyalty models that promote personalization, emotional connection, and digital contact, all of which are experience-driven and relationship-oriented. The authors use industry case studies to show how the integration of social media, gamification, and data analytics has transformed loyalty programs into strategic consumer engagement platforms. According to the survey, effective programs promote continuing innovation and user feedback above standardized rewards. The paper's findings show that organizations who use these unique loyalty strategies are better positioned to improve brand loyalty and customer retention in fast-paced marketplaces.

Roberts, M., and Thompson, E. (2023): Suggest a data-driven approach to segmenting loyalty programs in order to improve consumer happiness and retention. Using sophisticated analytics on customer engagement and behavioral data, the inquiry finds discrete segments with unique loyalty drivers and reward preferences. The data show that personalized techniques, such as focused marketing and customized offers, outperform traditional loyalty programs. The authors suggest that segmentation allows for more efficient resource allocation and stronger customer connections. The paper indicates that data-driven segmentation is required to improve the strategic impact and effectiveness of current reward programs.

3. Types of Loyalty Program



Points Programs

The most common type of loyalty program is a point-based system. They let clients to earn points for their purchases, which they can then redeem for free things and other benefits.

Furthermore, several rewards programs allow consumers to earn points in different ways, such as sharing content on social media, posting reviews, or celebrating their birthdays.

Tier Programs

A tier-based loyalty program offers clients varied advantages depending on their rank. Customers who rank higher will earn better benefits.

Customers must purchase and interact with a brand more regularly in order to move up to a higher tier and obtain special benefits. Consumers of businesses will be graded based on engagement and sales figures.

Paid Programs

A paid loyalty program provides instant and continuous benefits to customers in exchange for a one-time or recurring cost. A company can increase

its customer value by convincing customers about the benefits of its program.

According to a 2020 survey, consumers are 60% more likely to boost their spending on a brand after joining a paid loyalty program.* A consumer will want to maximize the benefits of a loyalty membership.

Value Programs

A value-based loyalty program is a method in which a company distributes a portion of its sales proceeds to a nonprofit organization or charity instead of giving the customer a reward.

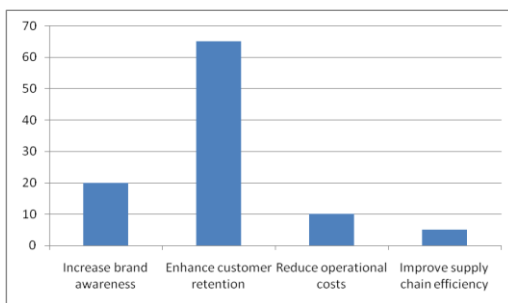
This method enables brands to launch campaigns that target a wide range of social, environmental, and economic issues. The consumer is rewarded by knowing that their purchase from the brand benefits society.

Brands are not limited to using a single program variety. Combining several techniques can be a creative way to increase client loyalty and ensure that the loyalty program is both effective and unique.

4. ANALYSIS AND RESULTS

1. What is the main purpose of Reliance Trends' loyalty program?

S.NO	PARTICULARS	RESPONDENTS	PERCENTAGE
1	Increase brand awareness	20	20%
2	Enhance customer retention	65	65%
3	Reduce operational costs	10	10%
4	Improve supply chain efficiency	5	5%
TOTAL		100	100%

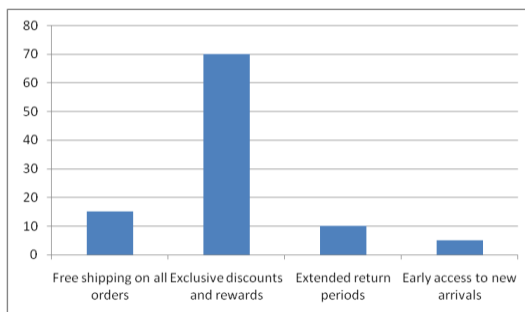


Interpretation: The major goal of a loyalty program at Reliance Trends is to boost customer retention by 65%, brand awareness by 20%, operating costs by

10%, and supply chain efficiency by 5%, as seen in the table and graph above.

2. What is a common element of loyalty programs that motivates customers to make further purchases?

S.NO	PARTICULARS	RESPONDENTS	PERCENTAGE
1	Free shipping on all orders	15	15%
2	Exclusive discounts and rewards	70	70%
3	Extended return periods	10	10%
4	Early access to new arrivals	5	5%
TOTAL		100	100%

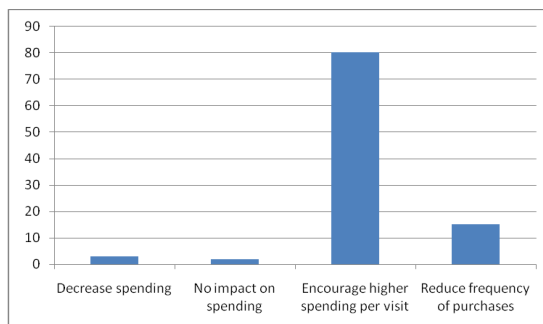


Interpretation: The table and graph above show that loyalty programs commonly offer special discounts and rewards (70%), free delivery on all orders (15%),

extended return periods (10%), and early access to new arrivals (5% of respondents).

3. How do loyalty programs often influence consumer purchase decisions?

S.NO	PARTICULARS	RESPONDENTS	PERCENTAGE
1	Decrease spending	3	3%
2	No impact on spending	2	2%
3	Encourage higher spending per visit	80	80%
4	Reduce frequency of purchases	15	15%
TOTAL		100	100%



Interpretation: The table and graph above show how loyalty programs influence consumer purchase decisions. 80% of respondents said they would prefer to spend more money during each visit, 15% said

they would reduce the frequency of purchases, 3% said they would cut back on spending, and 2% said they would make no changes.

5. Conclusion

Loyalty programs have been shown to be highly effective at increasing client retention in a variety of industries. These programs foster a stronger emotional and practical relationship between the customer and the brand by offering them exclusive advantages, rewards, or incentives in exchange for their continued consumption. Loyalty programs encourage long-term engagement and recurring business by instilling a sense of gratitude and recognition, all of which are critical for increasing

retention. These programs' success stems mostly from their ability to connect with consumers' desires for tailored experiences and value. Through tiered memberships, point-based systems, or special discounts, loyalty programs foster committed behavior, improving customers' sense of worth and appreciation. This can eventually foster a sense of loyalty and trust in the brand, reducing the risk of customers switching to competitor.

References

1. Aityassine, Fatima Lahcen Yachou. "Customer satisfaction, customer delight, customer retention and customer loyalty: Borderlines and insights."
2. Coyles, Stephanie, and Timothy C. Gokey. "Customer retention is not enough."
3. Uncles, Mark D., Grahame R. Dowling, and Kathy Hammond. "Customer loyalty and customer loyalty programs."
4. Vatsa, Vidushi, Bhawna Agarwal, and Ruchika Gupta. "Unlocking the potential of loyalty programs in reference to customer experience with digital wallets."
5. Ramaseshan, B., and Robyn Ouschan. "Investigating status demotion in hierarchical loyalty programs."