

October  
2025



# State of Loyalty Programmes in the UK Hospitality Industry

60% of operators  
report increased  
visit frequency

100% of respondents  
stated that “reward strategy”  
is a barrier to a successful  
loyalty programme

40% are making  
better use  
of behavioural data



Q2 2025 | insights from 100 operators

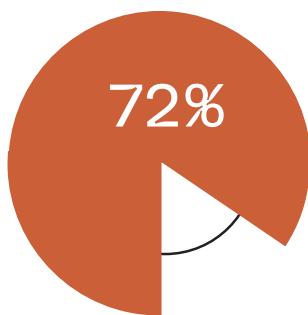


Insights from 100 operators.

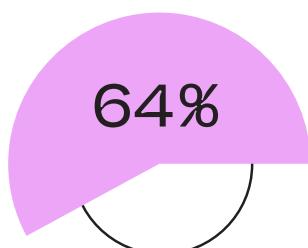
# Executive Summary

Hospitality loyalty is maturing, but not fast enough. Operators have moved beyond stamp cards and generic offers, yet most still struggle to turn loyalty data into actionable insight.

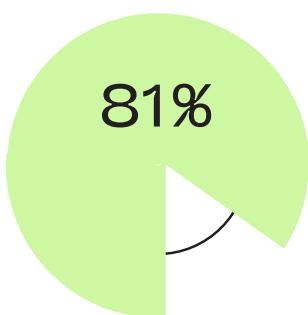
This study reveals an industry aware of the potential of personalisation, but constrained by fragmented systems and operational complexity.



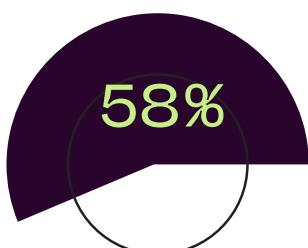
72% of operators reported higher repeat visits after launching a loyalty programme



64% said personalising rewards remains their biggest barrier



81% plan to adopt automation or AI tools to improve customer segmentation in 2026

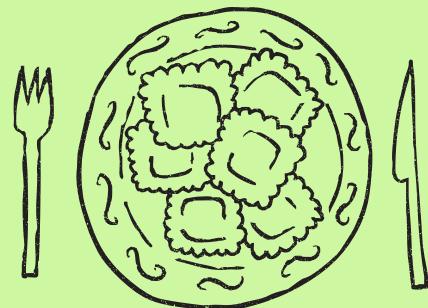
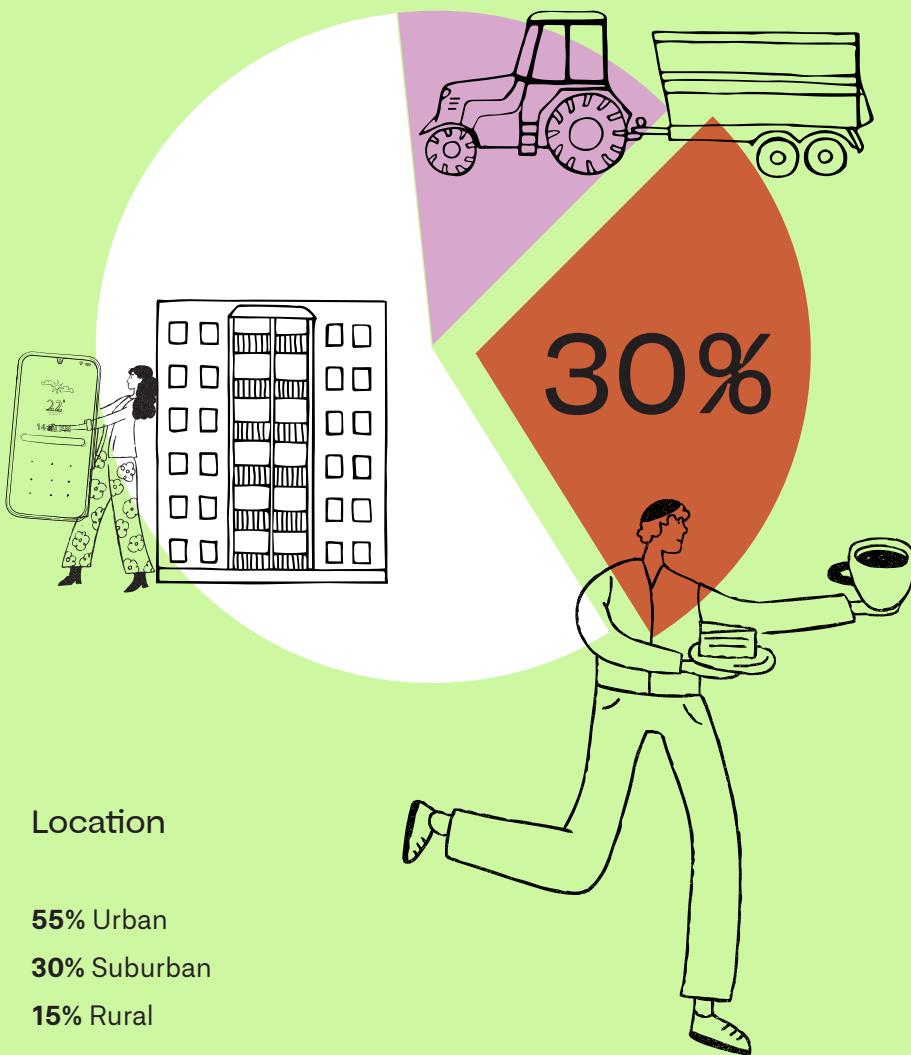


58% link improved loyalty directly to higher average spend per visit

# Methodology & Respondent Breakdown

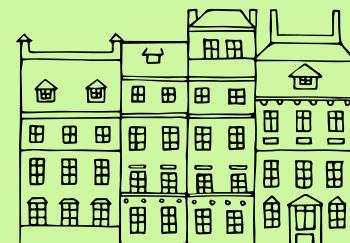
The survey was conducted in **Q4 2025** among **100 hospitality operators across the UK**, representing independent, multi-site, and enterprise-level businesses.

Participants included marketing directors, operations managers, and digital transformation leads.



## Type of Establishment

- 35%** Casual Dining
- 20%** Coffee Shops
- 15%** Pubs & Bars
- 15%** Hotels
- 10%** QSR
- 5%** Fine Dining



## Business Size

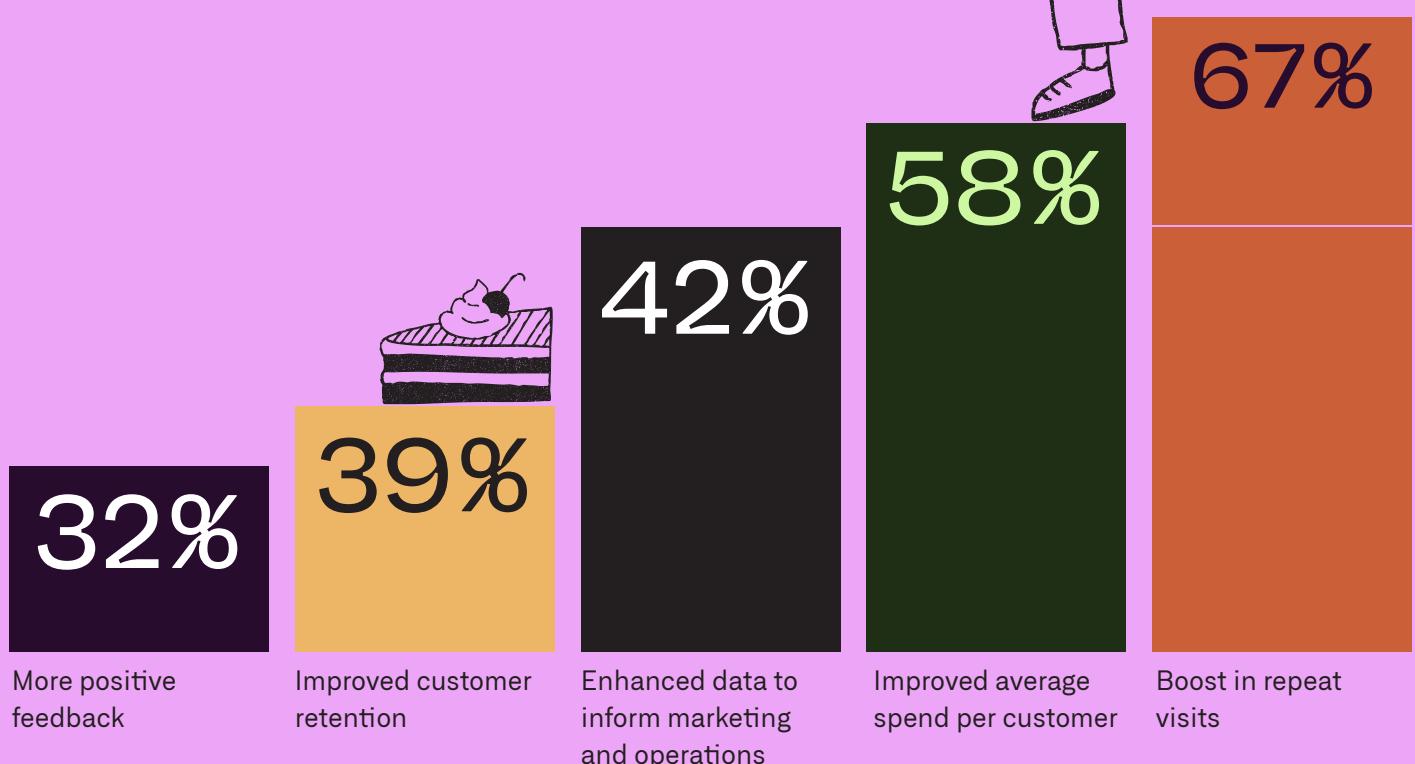
- 28%** Single-site (1 venue)
- 42%** Multi-site (2–49 venues)
- 30%** Enterprise (50+ venues)

# Wins from Loyalty Implementation

Loyalty programmes are delivering tangible returns across multiple fronts, particularly in driving repeat visits and spend uplift.



## Top Wins



Operators noted that loyalty success depends on consistent data capture and staff engagement, not just app downloads.

**“In the space of 12 months, we’ve gained 20,000 registered users - a fantastic achievement beyond anything we had hoped for.”**

David Glenwright, Head Of Marketing, Titanic Brewery

# From Basic to Brilliant: What Defines a Great Loyalty Programme



While most operators see early success through discounts and repeat visits, the gap between a basic and great programme is widening. Modern loyalty programme, powered by platforms like Pepper, is defined by automation, data, and personal connection. A great loyalty programme doesn't just retain guests, it deepens relationships.

Theme	Basic Programme	Great Programme (Powered by Pepper)
<b>Personalisation</b>	Same offer for everyone	Tailored rewards and messaging using live customer data
<b>Segmentation</b>	One-size-fits-all approach	Dynamic groups based on spend, visit frequency, and behaviour
<b>Integration</b>	Standalone system, manual updates	Fully integrated with POS, payments, and ordering
<b>Data &amp; Automation</b>	Limited insights, no automation	Automated, data-driven campaigns that re-engage guests
<b>Rewards</b>	Focus on discounts & freebies	Mix of instant rewards and exclusive experiences
<b>Outcome</b>	Transactional – customers come for deals	Emotional – guests return because they feel known and valued

**"We now have 245k members and that wouldn't have been possible without the support from the team at Pepper."**

Andrew Brook (Tortilla, Technology Director)

## Insight:

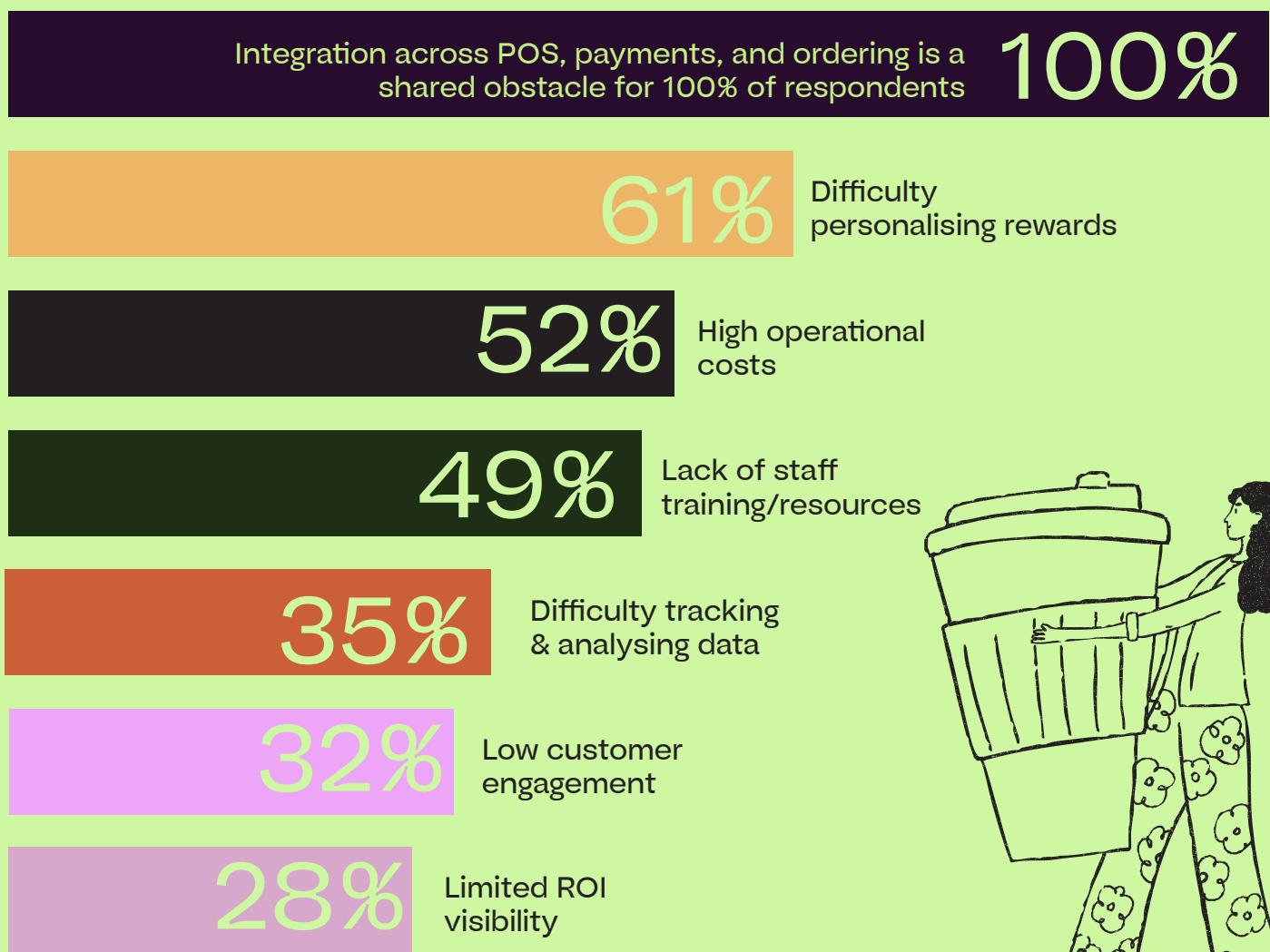
Operators investing in integrated loyalty see an average 22% uplift in repeat visits compared to those running standalone systems. The most effective programmes are those that evolve beyond "earn and burn", using technology to listen, learn, and personalise every interaction.

# Common Challenges

Despite enthusiasm, **most operators face daily friction managing loyalty platforms.**

Personalisation and cost management dominate the conversation.

## Top Challenges

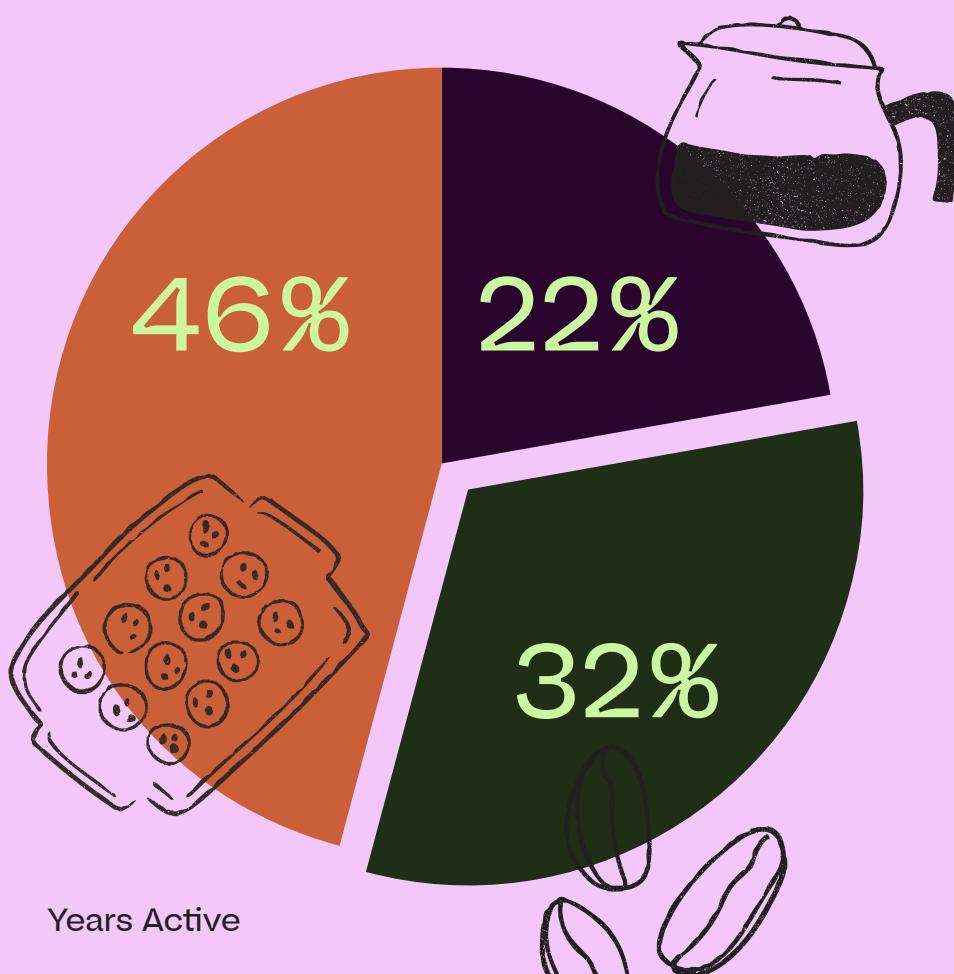


“The introduction of the Scotsman Rewards loyalty app marks a huge milestone for the business, and one that we’ve had under consideration for quite some time given the complexities of our portfolio and the variation within our brands. Pepper’s dynamic approach gave us the fluidity we needed to problem solve and adapt as we went.” Scotsman Group

# Programme Maturity & Management Difficulty

The data shows a clear correlation between programme maturity and success.

**Operators with loyalty running 2+ years see higher ROI, stronger data confidence, and more staff advocacy.**



Years Active

46% Over 2 years

32% 1–2 years

22% Less than 12 months



## Most Difficult Aspects

**Reward management (56%)**  
ensuring value and appeal

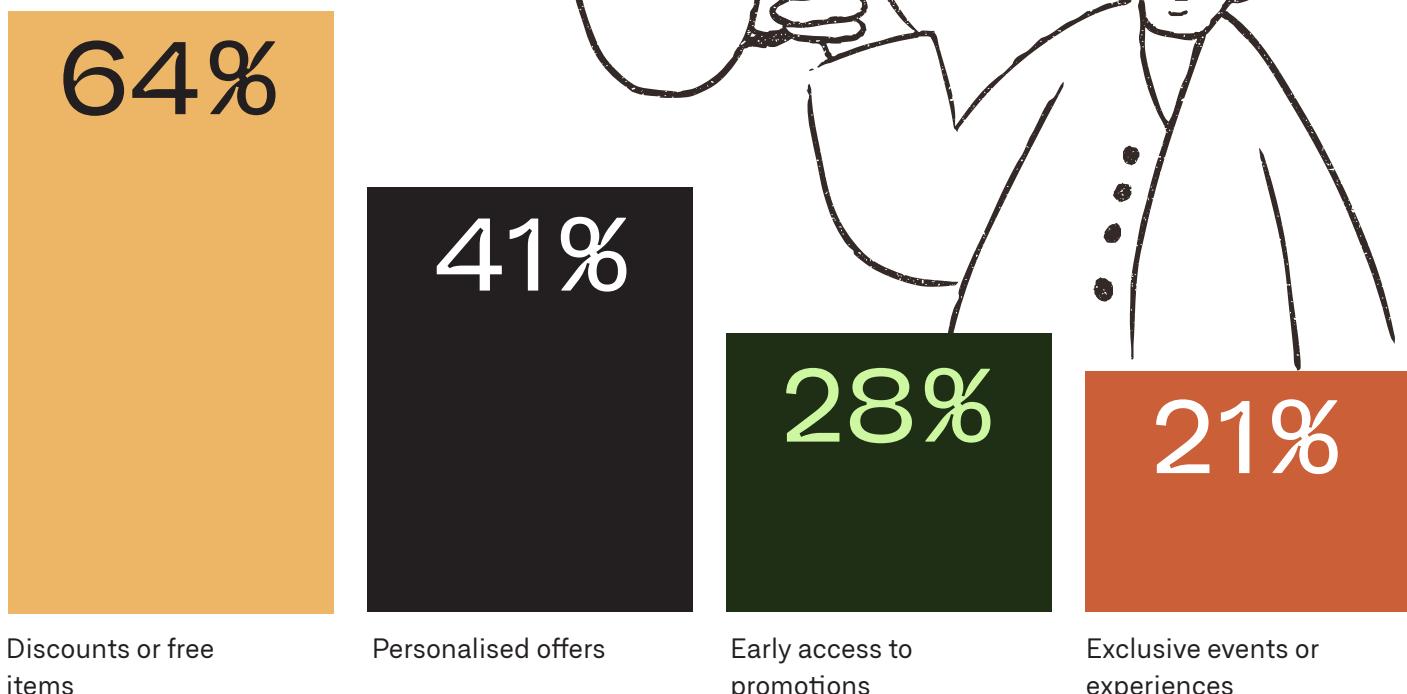
**Customer data integration (41%)**  
syncing with POS and CRM

**Marketing & communications (29%)**  
inconsistent campaigns

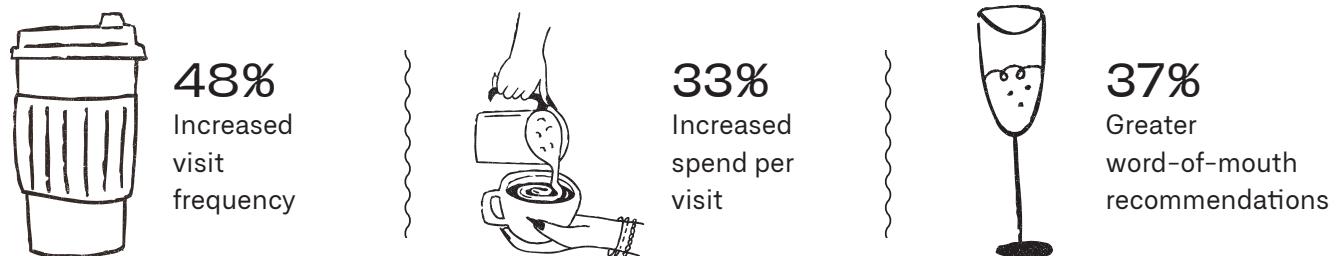
# Reward Types & Behaviour Change

Discounts and freebies remain the most **powerful drivers of engagement**, but personalised rewards are gaining ground among digital-first brands.

## Top Reward Types



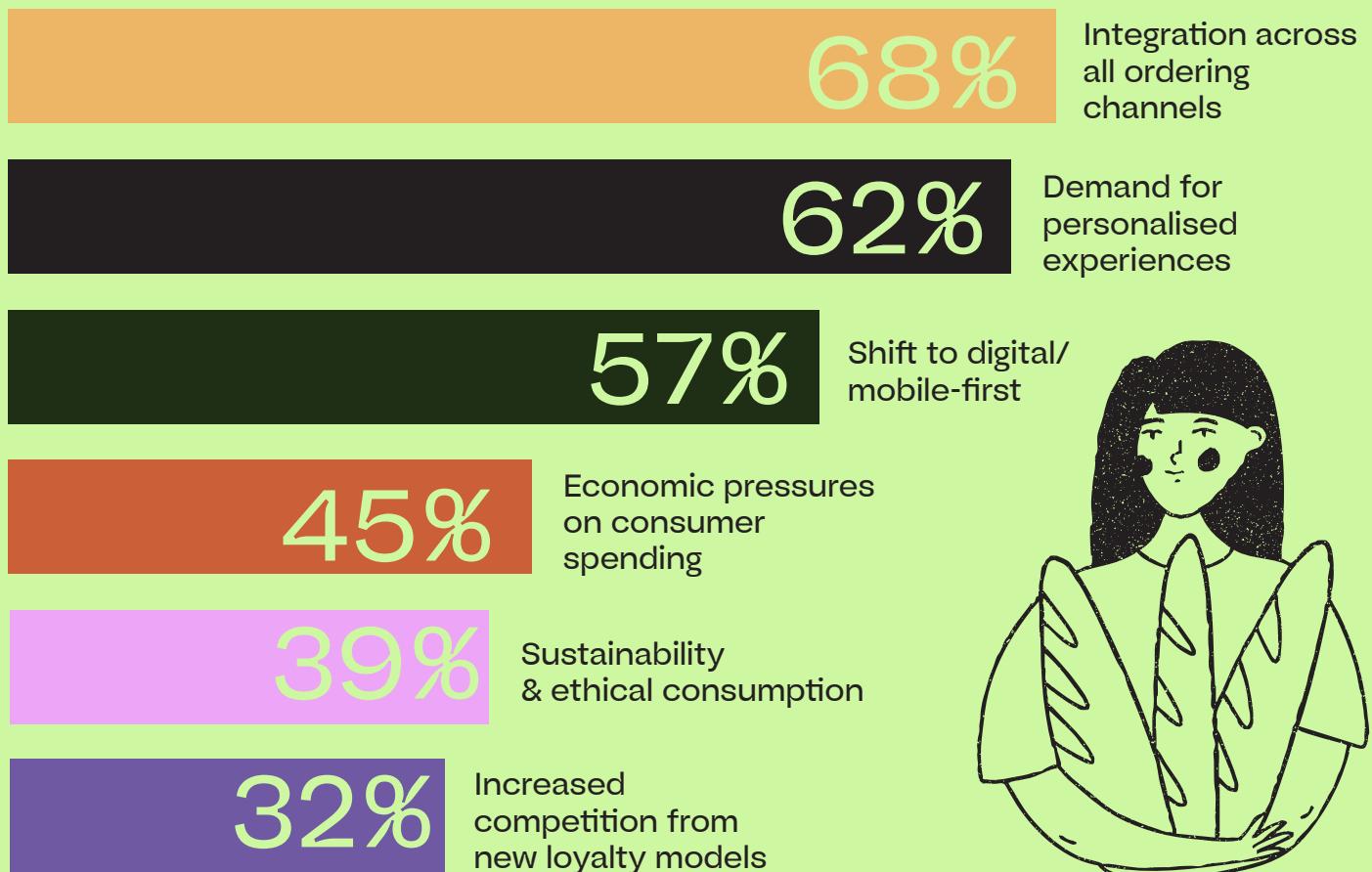
## Behavioural Change Observed



# Industry Trends Affecting Loyalty

The **hospitality landscape** is rapidly shifting toward **digital**, integrated, and sustainable operations, reshaping loyalty expectations in the process.

## Top Trends



**“We had more and more customers saying, why can’t you just make it digital? That was the moment we knew it was time to invest in something new.”**

David Glenwright, Head Of Marketing, Titanic Brewery

# Emerging Trends: Opportunities

Operators are looking ahead with intent to **automate, personalise, and integrate**.

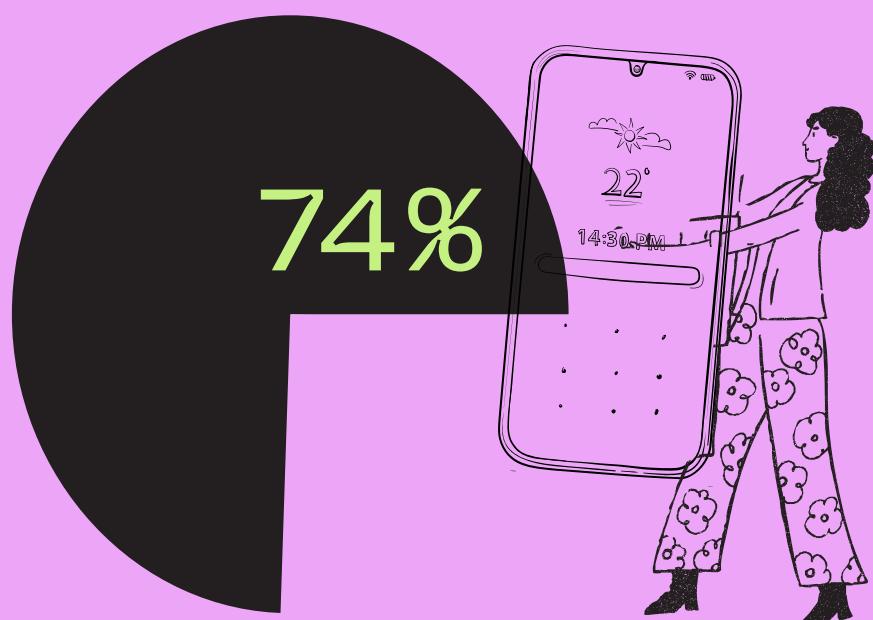
The next year will see loyalty move from marketing add-on to core operational layer.



## Top Priorities for 2026



## Desired Solutions



**74%** Enhance personalisation & segmentation

**68%** Automate marketing processes

**54%** Reduce operational costs

**41%** Integrate loyalty across Tech Stack

**32%** Expand reward variety

# Conclusion & Recommendations

Loyalty has entered its second act. No longer about discounts, it's about data-driven relationships. Operators ready to unify systems, automate communication, and humanise their data will see the greatest gains.

## CHECKLIST

- Automate email flows, usage tracking, and re-engagement campaigns
- Usage tracking + re-engagement campaigns
- Reward structures
- Internal communication
- Staff training + incentives
- Ongoing tracking + iteration
- The ability to earn and burn that loyalty across all user journeys is seamless

## Key Recommendations



Integrate your ecosystem  
Connect loyalty with POS, CRM, and marketing automation



Use AI and automation  
Free teams from manual reward management



Prioritise personalisation  
Make every guest feel seen, not sold to



Measure beyond spend  
Track frequency, sentiment, and advocacy



Think loyalty = data strategy  
Your best insights come from repeat guest



# pepper



“The data we pull in from Pepper is by far our richest source. When we match that up with other systems, it creates a really rounded customer view. We can personalise something to them and set it up within hours.”

David Kirby, IT and Innovation Manager, Young's Pub